01-493 0802

CONTINENTAL SELLING PRICES: ALISTRIA Sch. 15; BELGILM Fr 30; DENMARK Kr 6.00; FRANCE Fr 8.00; GERMANY IIM 2.0; ITALY 1 1,000; NETHERLANDS FI 2.25; NORWAY Kr 6.00; PURTUGAL EA 50; SI

Bryant

# NEWS SUMMARY

# Blanket of snow replaces floods

The threat of severe flooding of Selby as the Ouse dropped 54 ft from its Wednesday peak, but thick snow and plunging tem-peratures gripped most of the North, Scotland and the South-

The sea froze in Oban bar-bour land the Clyde in Glasgow, with Brasmar the coldest place

Spring tide on Monday, expected to send a 22 ft surge of water up the Ouse, is the next threat to Selby. Weather, Back

Iraqi pipeline hit Sabateurs blew up the pipeline which carries the bulk of Iraq's crude oil exports. Page 3

### Pretoria arrest

Rolls-Royce engineer Steven Kitson, 25, of Bristol was detained in South Africa while visiting his father David, a former political activist serving 20 years in a Pretoria jail.

# Sandinista deal

France is to simply arms to the Sandinista left-wing government in Nicaragua, risking a clash with the U.S. Page 4

# Neo-Nazi cache

West Berlin security forces arrested 12 neo-Nazis—aged between 16 and 19—and siezed an arms cache which included

### Ghana curbs ease Ghana's borders and airport are due in papen tellers eight days after the military take over. Nigerla the key, Page 3

Libyan food ban Libya banned the import of tea.

### list of other goods, Gunman jailed

bour, 22; was jailed for life for murdering a Royal Green Jackets soldier in a Londonderry pub. Prior's course, Page

# Rape case move

Labour MP Jack Ashley may submit a Bill giving the prosecution a right to appeal against sentences if the Lord Chan-

cellor does not repudiate the BANK O FENGLAND senior judge who fined a rapist management changes indicate Two railmen die British Rail investigators

searched a derailed locomotive

Whooping cough

nearly three times the average level at 700 a week. After the break Newscaster Kenneth Kendall

under contract to J. Walter Thompson has had its run.

Nightcap for Coe Sebastian Coe will appear in a Horlicks TV commercial next month, the first athlete to take advantage of rules which pre-

# serve-athletes' amateur status.

Princess of Wales will continue public duties at least until

Cunard's QE2, aground off BLUE CIRCLE Industries, Puerto Rico for an hour, cement maker, is to invite bids, escaped undamaged.

Somalian refugees will get 400,000 ECU (£280,000) in EEC food aid.

# BUSINESS

# Dollar stronger; **Equities** up 5.8

No. 28,668

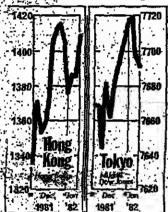
O DOLLAR firmed as Eurodollar interest rates rose. If advanced to DM 2.2615 (DM 2.2465), Y222 (Y219.6), SwFr 1.831 (SwFr 1.809) and FFr 5.7425 (FFr 5.706). Its trade weighted index was up to 107.6 from 106.8 Page 22

• STERLING eased 40 points to \$1.92 but was otherwise stronger at FFr 11.025 (FFr 10.9775), DM 4.345 (DM 4.325), SwFr 3.5175 (SwFr 3.4825) and Y426.5 (Y422.5) Its Bank of England index was 91.7, after 91.5. Page 22

• EQUITIES improved on hid speculation, despite the collapse in Discount Houses. The FT 30-Share Index rose 5.8 to 529.5.

GILTS recovered after an easier start, on talk of official support for the market. The Government Securities Index was 0.03 down at 61.97. Page 28

• HANG SENG Index rose 23.68 fn Hong Kong to 1,409.40, on institutional support. In Tokyo, sentiment was dampened



partly by gloomy export prosand the Nikkel Dow 7,691.22. Trading was thin in

both centres. Page 23 • WALL STREET was off 1.34 IRA gunman Christopher Bar: at 859.68 before the close. Page

GOLD fell \$5.5 to \$397 in London: In New York the Comex January close was \$399.4. Page 2

BL workers at Cowley voted to respond to a proposed 10-minute cut in their tea breaks by going home 15 minutes earlier. Back Page

management changes indicate the growing emphasis being placed on helping industry through the recession and super

vising banks. Page 6 In an East London siding for • BUSINESS FAILURES clues to explain a crash which reached record levels in 1981, killed two railway workers. with 8,227 company liquidations with 8,227 company liquidations in England and Wales, 20 per cent up on 1980 and 81 per cent on 1979. 4Page 6

A whooping cough epidemic was confirmed by the Department of Health, with cases ment last month jumped by ment last month jumped by 200,000 to 1.7m, the highest

December total since 1954. Bad weather was blamed. Page 2

 CAR sales in the U.S. last year were the lowest since 1975 must delay his Television South
West debut until a bread industry commercial for which he is

and 4.5 per cent dawn on 1980.
Only Chrysler among big U.S.
try commercial for which he is

● ALFA ROMEO, Italian stateowned car maker, is to lay off almost all its 43,000 workers three weeks from January Back Page --

• JOHN WADDINGTON, packaging and games group. reported pre-tax profit of £326,000 for the 28 weeks to October 17, up from £1.02m loss, despite writing off £180,000 after withdrawing the contro-versial Bombshell game. versial Page 16

expected to be £30m-£40m, for its West Midlands quarrying subsidiary, Blue Circle Aggregates. Page 18

FALLS

# Ludwig's Amazon forest dream ends after \$1bn investment

VANCIALTIM

companies in association with Research. the Brazilian Government, John Arden writes from Rio de

This will finish Mr Lugwig's involvement with the controverforest land, and on which he has invested about \$1hn

The Jari minerals and cellulose project at the fork of the thousands of tons of pulp a money rather than producing it

ping magnate, is to end with a by a group of companies under revenues, takeover by a group of Brazilian the Ludwig Institute for Cancer

higgest scheme undertaken by private individual without funding from the capital markets, called for the wholesiad Jari project, which covers sale clearance of virgin nearly 4m acres of Amazon Amazon forest turning the vast Amazon forest, turning the vast tract of land into an enormous Brazilian entrepreneur. tree and rice farm.

THE TROPICAL dream of Mr Jari and Amazon rivers, about day while rice farming and convinced Mr Ludwig to pull will provide about 40 per cent Daniel Ludwig, the U.S. ship- 250 miles west of Belem, is run mining activities would boost out.

of the private capital. However, the octogenarian

> Mr Ludwig, who hought the The project, possibly the site in 1967, has already effectively abandoned the project, which is thought to have lost more than \$75m in 1980, handing over responsibility to Sr Augusto Trajano de Azevedo Atunes, a friend and

Increasing nationalist senti-Fast growing trees were to meot among Brazilians and bave been planted, producing Jari's propensity for absorbing

Under the takeover, Mr Ludwig will get none of his investment hack initially. The scheme involves the Brazilian Government and a pool of about 20 companies raising about \$280m which will cover the project's existing external debts,

Although final details are still to he worked out, it is nuder-stood that the pool of Brazilian companies will have to find ahout \$100m

Antunes, who heads Caemi, the manganese producer,

SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 42p; MALTA 30c

The remaining \$180m represents money which the Brazilian Development Bank State (BNDE) committed as a loan guarantee to cover the purchase of a cellulose mill and power

It is believed this debt will he transferred to the stateowned Banco do Brazil, the country's largest commercial bank, which will receive preference shares. This virtually assures the Brazilian Govern-

Continued on Back Page



Jari, a \$1hn minerals cellulose project and the tropical dream of Mr Daniel the U.S. shipping Lndwig, miagnate

# U.S. embargo blocks Russian pipeline parts

BY KEVIN DONE IN FRANKFURT AND DAVID WHITE IN PARIS

GENERAL ELECTRIC of the preference U.S. yesterday said it cannot deliver parts worth \$175m (£91m) to European companies for the Societ natural gas pipeline from Siheria to Western Europe because of President Ronald Reagan's sanctions over Poland.

The move could seriously hit the Soviet Union's ambitious construction timetable for the 3,500 mile pipeline. The first gas is due to flow before the end of 1984.

GE said the crucial components, due to go to its European manufacturing associates
—AEG-Telefunken in West Germany, John Brown in the UK, and Nuovo Pignone in Italy had been reclassified and now needed "validated export licences." These would not be granted by the U.S. Department of Commerce's Export Adminis-

dustrial turbine technology in

The result is that both the com-

pany's inner and published re-serves "have been extin-

guished."
This is believed to he the

largest loss by a discount house

in recent memory. The news shook the discount market,

which has traditionally had a

uses the discount market as the main focus of its money market

operations by buying and sell-

ing paper with the discoont

houses to increase or reduce

the amount of money in the

loss accompanied the announce-

The news of Smith St Aubyn's

relationship, with the of England. The Bank

BY WILLIAM HALL, BANKING CORRESPONDENT

financial year started last April. Last night the shares closed The result is that both the com- 97p down at 35p. The FT

the rotors, stator hlades and nozzles through which the hot gas driving the turbines would They would have accounted for about a third of the value

of the contracts for the 125 turbines. The turbines in turn are key components of the 41 compressor stations which must be built at regular intervals along the pipeline to compress the natural gas and aid its flow. GE said it bad not yet

turers not associated with GE

such as Rolls-Royce of the UK

supplied from the U.S. were

The parts to have been

received official notification from the U.S. government about the sanctions classifications. but "unofficially, we have told our manufacturing associates in Europe what the govern-

SMITH ST AUBYN, one of the £2.7m. The final dividend for gilt-edged market.

At the end of its last financial

most successful houses in the the year to April 5, 1982 has At the end of its last financial discount market in recent years, been omitted and the company year, which had been the most has lost around £15m on its is unlikely to be able to pay successful in the company's

Actuaries index for the sector

are bound to increase the con-

cern of the Bank of England

count market to weather the

volatile movements in the gilt-

and National, the two biggest bouses, account for well over

half the market, and the remain-

increasingly difficult to make a

man of Smith St Aubyn, said

Mr Jeremy Smith, the chair-

Union Discount and Gerrard

The losses at Smith St. Aubyn

about the capacity of the dis-count market to weather the forced to cut its losses in some

ing dozen houses are finding it this stock bad fluctuated by increasingly difficult to make a some 11 points over the period.

the losses resulted entirely from stock with under four years to

rup.

fell by over 12 per cent

edged market.

Smith St Aubyn loses £15m

The Russians chose GE in- ment's position is." It had begun to manufacture

to - equipment the turbine parts at its two offered by European manufac- factories at Schenectady in New York State, and at Greenville. North Carolina. stopped work following the

emhargo announcement . The manufacturing associates would be free to acquire the parts elsewhere under the terms of their licensing contracts. hut apart from Alsthom-Atlantique in France, part of the CGE electrical group which the French government is in the process of nationalising, there appeara to be little alternative access to the GE technology.

Alsthom-Atlantique holds GE licences, arising from earlier agreements, to manufacture the parts. But it has made none so far, though it has received orders from the Soviet Union for 40 rotor kits similar to those GE was to supply.

Industry officials in France

Continued on Back Page Zloty's unofficial value tumbles, Page 2

over £300m of gilt-edged stock — more than half its total book.

The group expected interest rates to fall in 1981 and fore-

cast that profits would be buoyant as a result. However,

interest rates went up rather

cases by selling large amounts of stock, often in a narrow

market of helow market prices.

The group had invested over £100m in one stock — Treasury

15 per cent 1985. The price of

such volatile movements were

"historically unbelievable" in a

Lex, Back Page

# Soviets try for another **DM 300m**

By Kevin Done in Frankfurt

THE Soviet Union is seeking a further credit of about DM 300m (£70m) from a consortium of West German hanks led by Deutsche Bank to fund downpayments for German equipment for the planned Siheria-West Europe gas plpeline.

The request was made hy Moscow hefore Christmas. Some of the German institutions approached are believed to he reluctant to take part in a new tranche of credits. Originally it was agreed that the Russians would make a 15

per cent cash down-payment for German equipment but Moscow is now seeking to finance this payment as well. The suggested DM 300m

credit would run for seven years, but there is still disagreement on the terms. The volume of the German banking consortium's credit to

the Soviet Union for equipment

for the \$15bn (£7.8bn) pipeline

project has been sharply reduced over the past 12 months in line with the modest orders won hy German companies. A year ago a buge credit of about DM 10bn from West German banks appeared likely. It is now expected that supplier credits will total little more than DM 2.50m with 90 per cent

guarantees from the West German Government - backed Hermes export credit insurance institution. It is uniforce DM 1.65hn of this total would be refinanced for four years through the AKA, the West German hanking system's export

credit institution, with op to

DM 900m coming in a parallel hanking consortium credit. 'After four years the AKA supplier credit would be replaced by a DM 2bn buyer credit granted by the consor-tium, led by Deutsche Bank. To date the orders won hy German companies for pipeline equipment have proved so meagre that a significant portion of the potential supplier credit re-

# peace exposed BY ELINOR GOODMAN AND JOHN LLOYD

Fragility of Labour

THE FRAGILITY of the Labour to suspend hostilities, and hold Party's and the unions' new to that agreement. agreement to preserve the peace until the next election was exposed—thougb not ruptured on the unwritten treaty of Bishops Stortford.

Mr Tony Benn's supporters tried to put a price on the peace agreed in such a euphoric atmosphere only 24 hours before at the 11 day conference of trade union and Lahour party leaders. While Mr Benn bimself maintained a diplomatic silence, his associates made it clear they wanted to use the threat of another divisive contest for the deputy leadership as a way of protecting the gains made by the left over the last three years,

Labour's warring factions reach fragile trnce, Page 6 SDP and Liberals to restart talks, Page 6

and of preventing any purge of far left elements.

Mr Chris Mullins, one of Mr Benn's closest advisers during last year's campaign, warned that the left would not "surrender." It was not he insisted, "peace at any price."
If the right thought the left
would "lie down and allow the right to walk all over them." they were wrong.

His remarks prompted an immediate reminder from Dame organisation, it should be Judith Hart, the party chairman, or me need to preserve the peace, and of the dangers of "sabotaging" the deal. Senior union leaders — who hold the fate of the party much

more firmly in their hands than before - remain convinced that Mr Benn will not stand again for the deputy leadership. It is understood that a delegation of left-wing union general secre-taries met Mr Benn before Christmas, and made clear they would not support his continued candidature. He replied that he would not press it.

However, he elso told the union leaders that this promise lapsed if the right did not agree

Yesterday some rightwingers wer concerned toat there bad

been a "sell out" at Bishops vesterday as right and left Stortford, and were worried placed widely different emphasis that the new atmosphere of unity might encourage Mr Michael Foot, the party leader, to abandon his newly launched attack on the far left. But the right's main tactic seemed to let the Left be the first to break the truce. The greyest part of the deal

seems to be in the area of expulsion from the party, and the non-endorsement of Parliamentary candidates selected by constituencles. Mr Benn had apparently included this on a list of conditions he laid down in a statement he had inteded putting out after the meeting. If Mr Foot did feel bound by

such a condition, it could seriously undermine the effectiveness of the investigation the party launched into the activities of the Militant Tendency last month.

Within the unions there is a clear difference of views on how the far left should be handled Mr Bili Keys, general secretary of the print union Sogat and a left-winger, said inc helieved groups such as Militant should be "controlled" but not expelled. On the right, Mr Roy Grantham, general secretary of the white collar union Apex. said that If the current inquiry into Militant found against the

expelled. Terry Duffy, right-wing president of the powerful engineering union, is deeply sceptical uf the accord and feels it does not deal with the problem of right wingers who have fallen foul of left-controlled selection com-

5 in New York

Spot \$1,9180-9195 \$ 1,9273-325 1 month 0.35-0.30 dis 0.35-0.22 dis 5 months 0.35-0.75 dis 0.75-0.62 dis 1.10-0.90 dis 12 months 1,20-1,00 dis 1,10-0,90 dis

# Vehicle output down sharply

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ment of a one-for-one rights the fact that the group bad issue at 25p per share to raise taken the wrong view of the

VEHICLE production in Britain dropped sharply again last year. Commercial vehicle production suffered worst, with output falling to a level not seen since 1949. Only 230,100 commercial vehicles were produced last year, 41 per cent down on the 389,200 made in 1980, according to provisional estimates by the Department of Industry yester-

Production of cars also fell again last year, in spite of successful British-bnilt models such as the new Ford Escort and the BL Metro. Car output at 903,000 was 2.27 per cent down from the when output dropped below 1m

for the first time since 1958.

Manufacturers blame the high

value of the pound against most

other currencies for making

**UK Commercial Vehicles** Production

total of 924,000 in 1980, the year . exporting particularly difficult last year, while the same factor gave imports to the UK an extra competitive edge in a time of By the end of November, for

example, 20 per cent fewer commercial vehicles were registered than in the same period of 1980. Yet importers bad pushed up their share of the market from under 25 to nearly 32 per cent of the vehicles registered. The UK-hased commercial

vehicle manufacturing industry

has had to cut back sharply in the face of this output cut.
Foden went into the
Receiver's bands and was bought by Paccar of the U.S. ERF cancelled expansion plans, reduced its vehicle range and cut its workforce by more

than half from 1,400 to 750 over the past year. Seddon Atkinson, owned by International Harvester of the Continued on Back Page

Jessups (Hldg.) ... Brockhouse ......

Cowley tea hreak cuts deferred.

and Alfa three-week lay-offs,

work ..... French industrial policy: the nationalisa-

Commercial law report: export restrictions on Gafta goods ...... 8

marine Technology:

Lombard: Peter Riddell on the strain on the Alliance ...... 15 Property: Rosehaugh's bid for London Shop ...... 24

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Stock Markets:

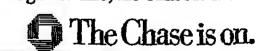
# mains to be used. Mr Smith said yesterday that Next Monday, nothing comes between you

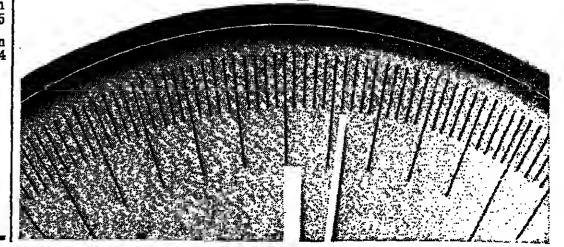
In the race to respond fast to meet your international banking needs, Chase's London branch is introducing a new direct-dial telephone system.

So, when you need to speak to your Chase relationship manager, you simply direct dial his or her number. You're in contact faster, so we can respond faster.

As a Chase customer, you should have already received your contact's new direct-dial number. If not, call (01) 726 5000 where our switchboard will be ready to deal with your enquiry.

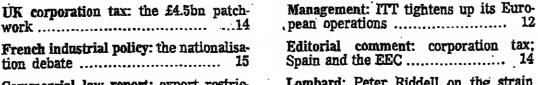
Now, more than ever, time is money. So call the Chase Manhattan Bank. In the race against time, the Chase is on.





### CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated) RISES Surmah Valley ...... 113 + 13 875 + 50

Berwick Timpo 30 T 0 '	
195 ± 10	Amstrad 195 := 22
Grattan 98 + 6 Henlys 104 + 7	Assed Comms A 50 - 2
Gratian	Bakers Highld Stores 158 - 9
Henlys 104 T	Birmingham Pallet 34 - 6
Hickson and Welch ZLZ T 12	
Haldon (4.) 162 + 4	Black (P.) 211 - 5
$\mathbf{u}_{00705} \mathbf{A} \qquad 94 + 10$	Cater Allen 275 :- 30
ICI 300 + 10	Gerrard National 245 - 23
Tours 1 7 - 70 4 21	Gillett Brothers 180 - 38
Imperial Group 72 + 34	Jessel Toynbee 58 - 5
Kitchen Taylor 120 + 18	Jessel Luyunes oo . o .
Low (Wm) 170 + 10	Kwik Save 214 - 4
Polly Peck 375 + 20	Quest Auto 93 - 7
Scottish Newcastle 53 + 21	Smith St Aubyn 35 - 97
Smiths Inds 370 + 13	Waddington (J.) 80 T 8
The property Denote 90 4 4	Discour
Transparent Paper 30 + 4	Impala Platinum 330 - 10
Unigate 113 + 5	Meekatharra 490 - 10
Utd Engineering 260 + 7	Meekatharra 430 10
Sogomana 455 + 30	Roan Cons 70 = 10



TV and Radio ..... Unit Trusts ...... 22-29 Weather ...... 32 information .30-37

issues, including the northern allow the Exports-Import Bank

20,000 tons rice shipment pro-

mised before the introduction

of martial law and the re-

scheduling of some Y22bn

(£52m) worth of Japanese

loans (agreed in July 1931).

There is considerable doubt

whether the Government will

to open a Y6.9bn (£16m) line

of credit which was promised

to the Poles in November to

finance Japanese steel and

machinery exports. A spokes-

man for the bank vesterday

said the credit line had "not

been effectuated" and now

Poland is due to make another

Y20bn worth of repayments

during 1982 of loans covered

by its Japanese Government

insurance fund. The present

Japanese policy line of freezing financial assistance would

make it difficult to start talks

on rescheduling of these loans but the Japanese are well aware

that Poland may not be able

might not be.

# Unemployment leaps to 1.7m in West Germany

BY KEYIN DONE IN FRANKFURT

THE NUMBER of people unemployed in West Germany jumped to 1.7m in December, the Fighest level sioce 1953. Some 7.3 per cent of the workforce was without work last month, compared with 6.4 per cent in November. The average level of unem-

ployment to 1981 was 1.27m. The Federal Lahour Office expects ao average figure this year of at least 1.6m and believes unemployment could even a modest recovery in the rise to as much as 2m during economy in the second half of January and February.

will add further weight to union employment picture. demands for the Government to stimulate the economy and increase pressure on the Bundeshank to relax its tight monetary

The jobless total jumped by now more than 14 unemployed for each job vacaocy, the number of which shrank further by 13,951 to 118,410. The oumber of workers on short-time rose by 69.489 to 505,542.

where 141,020 people were uoemployed io December, ao increase of 43.982. The dumestic huilding industry is going the post-war period. The biggest single group of unemployed are office workers, however, with 310,900 out of work, followed by the metalworking industry with 256,644

West German Institute for Economic Research warned that the number of people in work this year could shrink by 300,000 and the year is unlikely to briog any The lengthening dole queues marked improvement in the un-

unemployed.

The Statistical Office said yes terday that the West German gross oational product had shrunk by 0.3 per cent in 1981, following a rise of 1.8 per cent io 1980 and a jump of 4.4 per cent in 1979. Forecasts from the economic institutes and from the Government's Council of Economic Advisers suggest a marginal growth in the economy

f workers on short-time rose by of 0.5-1 per cent this year.

9.489 to 505,542.

According to Economics

Ministry figures industrial prounemployment register came duction fell in November on a from the construction sector, seasonally adjusted basis by 1 seasonally adjusted basis by 1 per cent, chiefly because of falling construction activity. On a two-moothly comparison,

production in October/Novemher was down by 0.5 per cent ber of people out of work.

on the same period in 1980. The biggest decline has come in consumer goods manufacture and building where output was 4 per cent lower. Capital goods manufacture has shown a modest increase of 1.5 per cent.

There is little sign of any improvement in the near future and new orders to manufacturing industry showed a gain of just 1 per cent in November over October (in real terms and seasonally adjusted).

The iocrease was caused alone by the strength of foreign orders which showed a growth of 4 per cent, while the continuing weakness of the domestic economy was reflected in the fall of 2 per ceot in domestic new orders. In October/November, new

just 1 per ceot in volume over the corresponding period of Domestic orders were 6.5 per cent by volume helow the level of a year ago, while strong impulses came exclusively from abroad with a jump of 18 per cent.

Disquiet is also mounting lo the ranks of the Social Democratic Party the senior partner in the ruling coalition in Bonn, over the sharp rise in the num-

# France to step up research

BY TERRY DODSWORTH IN PARIS

THE FRENCH Cabinet has given the go-ahead to an ambitious expansion of the country's research effort with the aim of iocreasing total expenditure to 2.5 per cent of gross national

ao annual iocrease of about 17.5 per cent in real terms over this period for that part of research controlled by the Research and Technology Ministry. But a similar effort will be required from industry, where the state sector, including those companies due to be nationalised, has the dominant role in research spending.

Leaders of the French employers' association have already given a guarded welcome to the Government's plans, but are waiting to see what inducements may be offered to help them The programme will demand Plans to allow tax deductions against research and deevlopment investment are currently being studied by the Adminis-

> A rapid increase in spending has already begun, following the 30 per cent boost given to the Research Ministry's budget this national product to research,

spending will go up to about FFr 25.4bn (£2.3bn), or around half of the country's total expenditure.

Expansion of the research hudget is seen as one of the key elements in the Socialist Government's plans for the development of French industry. Socialist planners argue that the country has slipped well hehlod its maio lodustrial competitors in this field, devoting only about 1.8 per cent of gross year. The rise, probably compared with well over 2 per amounting to about 15 per cent ceot in the U.S., West Gerin real terms, means that its many, Japan and Britain.

# to cut shipyard aid

continue support for its ship building industry, but aid will be redoced over the next four

Demand for new ships sbould have picked np sufficiently by 1985 for Dutch yards to stand on their own fcet, Mr Jan Terlouw. Economics Minister, said in a

letter to parliament.
The Government plans to pump a further Fl 621m (£131m) Into the industry from 1981-1985 in the form of subsidies for orders and investment premiums. In addition, it will continue to provide interest rate sub-sidies, but has rejected a proposal to increase the maximum rate of 2 per cent.

After providing F1 248m to shiphuilders in 1980, the Government intends to make 80 per cent of this sum available retrospectively in 1981, 55 per cent this year, 30 per cent in 1983 and 20 per cent in 1984. Additionally, two large yards, Van der Giessen-de Noord and the specialised dredger building yard, IHC Holland, will receive aid in 1985.

cabinet is more optimistic about the recovery of demand than the commission set up several years ago to co-ordinate the restructuring of the yards. The commission had recommended that the volume of support should be kept unchanged in 1981 and should fall to 25 per cent

over four years.

Within the funding limits, aid will continue on roughly the same basis as before. Shippards qualify for an amount of aid equivalent to 10 per cent of their average turnover in 1977-79. The Government provides 1.5 per cent of the value of orders worth F15m rising to 15 per cent on orders worth FI lam

# Netherlands | EEC farm prices show largest rise since 1976

BY OUR BRUSSELS CORRESPONDENT

increased production costs. According to preliminary

estimates from the EEC's statistical office, the EEC's index of producer prices for farm products rose by 11.3 per cent last year over 1980. This compares with a 7 per cent increase the year before and is the bighest rise since a 16.8 per cent increase in 1976.

The rise in the index last year hroadly matches the Community's rate of increase in consumer prices. However, it is slightly less than the 12.8 per ceot estimated increase in the cost of agricultural "inputs" the cost of goods and services used in agricultural production.

This is one factor used by EEC farmers' organisations to justify their call for a 16.3 per cent rise in the Community's guaranteed prices to farmers his year. They also claim that farm income problems have been aggravated by high points. interest rates and stagnant and. In a

in some cases, falling produc-The European Commission is due to produce its 1982-83 price 25 per cent.

THE EEC's 9m farmers secured the largest increases in product are thought fixely to average prices since 1976, last year, although in most member states interest will focus on the exwaten the Commi seeks to apply its proposals for limiting guarantees for roducts in surplus.

> EEC Foreign Ministers are due to meet next Thursday In a further effort to agree reform guidelines affecting milk, Mediterranean products and the rate of growth of farm spending. If they again fail to reach a settlement, then negotiations could be taken up by the Agriculture Ministers in the context of the Commission's price proposals.

Although the prevailing double-digit rate of inflation in the EEC will put pressure on Farm Ministers to award generous price increases, the gap between producer price in-creases and the rise in production costs over the last 12 months is substantially less than last year when It amounted to 45 percentage

In addition, there has been little or no drop in farmers real incomes, whereas in 1979 1980 they fell by an average of

# Yugoslavia finds oilfield

YUGOSLAVIA, whose dependence on Soviet oil and ges imports has been the basis of a large increase in Yugoslav-Soviet trade over the last two years, has announced a promis-ing oil find off the Gulf of Kotor in the southern Adriatic.

consortium of Yugoslav and foreign companies, including the U.S. companies Buttes Gas and Oil and Chevron Overseas Petroleum struck oil at a depth duction has come until now of 3,000m in seas 300m deep from onshore deposits in Croatia some 30 kms off the entrance to and the Pannonian basin.

the Bay of Kotor.

It is not known whether the oilfield is commercially viable, but gas in commercial quantities was found receoily on the island of Brac, part of an archipelago off Split, while another promising find has also been made by a Yugoslav-Italian consortium drilling in the north

Adriatic off Istria.
The bulk of Yugoslavia's 4.5m ton annual domestic oil pro-

# Death call hoax, say Italy police

BY JAMES BUXTON IN ROME

that the telephone call that prompted it was a hoax by the Red Brigades intended to divert

the text of part of the terrorist in the head on Wednesday hy a interrogation of the general, terrorist who came to the door copies of which were found on of his flat diaguised as a post-Wednesday night in Milan and man. The officer managed to fire added to the impact of the Red Padua. The general, a staff at the terrorist, wounding him, Brigades' current offensive and officer at Nato Southero Europe before he collapsed. The gun-helped divert police attention Land Forces headquarters in man and a number of accom-Verona, was kidnapped three plices disappeared.

of the kidnapped U.S. General, The interrogation mainly con- one of a number of important James Le Dozier, convinced centrated on his career and on political and husiness figures precautions against terrorism at who have flats in this part of

In Rome a senior member of . the Special Branch was recover- officer, claimed by both the Red Investigators were studying ing in hospital after being shot Brigades and by a Right-wing

The officer bad directed an other Red Brigades members Extracts from the Red Bri- operation in the historic centre carried out a spectacular operagades communique published in of Rome on Monday night in the newspapers showed nothing which two Red Brigades memto suggest that the general was bers were arrested. Police four suspected women terror

ITALIAN POLICE yesterday disclosing any sensitive infor-abaodoned their search in the mation, or that be was being eight others who escaped, may Abruzzi mountains for the body unduly helpful to his captors. have been preparing to kidnap

terrorist group (he bad previously been in charge of investigating Right-wing terrorism). from the operation to find Gen Dozier. On Sunday afternoon tion at a prison at Rovigo in the Veneto region and freed



Sr Calvo Sotelo . . . talks with Mrs Thatcher

# Hopes high for end to Gibraltar deadlock

THE SPANISH Prime Minister, Sr Marcelino Oreja, issued a due to meet Mrs Margaret Thatcher, his British counterpart in Loodon today in a new attempt to hreak the deadlock on Gibraltar.

cautious optimism pervades both Spanish and British diplomats that the meeting will lead to an announcement on the opening of the frontier, unilaterally closed by Spain in 1969.

However, the same diplomats poiot out that both Prime Ministers bave only limited room for manoeovre and the meetings may end in failure as have all previous attempts at various levels. This said, Sr Leopoido Calvo Sotelo is Sr Calvo Sotelo would not be visiting London if a positive outcome were unlikely. Today'a meeting has been pre-

ceded by more than a month of official preparatory talks, including a hectic last-minute round right through Christmas until early this week. The aim of these talks was both to create the necessary elimate of confidence and to cover the details associated with any opening of the

Frontier. In April 1980 Lord Carriogton, the British Foreign Secretary and his then Spanish colleague, Sr Marcelino Oreja, issued a joint statement in Lishon pavng the way for the opening of the

The statement sald that, in return for Spain reopening the frontier, Britain would undertake to negotiate ali aspects of the Rock's future. The frontier was expected to he open that June. However, the agreement was never implemented, largely because Soaln insisted oo a series of reciprocal gestures.

These included concession of equal status in Gihrakar as other EEC nationals and the right to stay the night io the -gestures which would enable the Spanish Govero ment to show that it was not giving away its trump card eventual **Secure** sovereignty. It is precisely this aspect which makes the talks so politically sensitive in Spain and in the UK.

mitted to maintain its policy of supporting and sustaining the Gibraltarians and to do nothing without consultation. The Spanish Government has to take account of fierce national sentiment over the status of the Rock, and especially the Right-wing

which strongly supports the maintenance of sanctions against Gibraltar until sovereignty is conceded. Britain is willing to make these reciprocal gestures once the frontier is opened, and Spaio is reportedly equally com-

mitted to reopening the frontier. The speculation is that this will probably be tied to Easter. The day that the frontier is opened, the British bave also

agreed to begin wider negotiations on the colony's future These negotiations will be split

ioto two elements—those where there are differences (the question of sovereignty. the status of the airfield built aliegedly illegally, according to the Spaniards, on territory not included in the original Treaty of Utrecht), and those where there are new areas of co-operation (Nato, economic ties with the Campo area, etc).

This is the first time that Sr Calvo Sotelo and Mrs Thatcher bave met as Premiers, although the latter came to Madrid in 1978 for the congress of the ruling Union de Centro Democratico. If the Gibraltar side of the talks goes smoothly, this will then leave time for broader topics such as Nato, the EEC and East-West relations. Sr Calvo Sotelo will be arriving from Brussels where he spent the previous day meeting with EEC officials.

Greek forces change

Greece's Supreme Council of National Defence has completed sweeping changes in the armed forces leadership retiring six more Generals, 10 Major-Lt-Generals, 10 Major-Generals, two Rear Admirals and two Air Vice-Marshals, Victor Walker in

ECONOMIC SANCTIONS AGAINST MOSCOW CONSIDERED

to an interview with Mr Zenko Soviet

Suzuki, the Prime Minister. It

was the first meeting of its kind

for nearly four years. Yester-

day, essentially the same mes-

sage was repeated by the For-

Despite the fact that it has

ome out explicitly in support

of President Ronald Reagan's

interpretation of the Polish crisis (though admittedly after

a delay of several days), Japan

does not appear to have con-sidered cancelling plans for a series of "working level" talks

with the Soviet Union later this

month. The talks, are to be held

in Moscow on January 20 and 21, between officials, and will lay the foundations for a visit

the Soviet Foreign Minister,

eign Ministry.

later this year.

# Japan moves to freeze Polish aid

on two successive days to Mr place alternating between Tokyo

Dmitri Polyanskii, the Soviet and Moscow. In fact, neither Ambassador. On Wednesday, minister has made the trips

the ambassador was summoned since 1978, the year before the

to Tokyo by Mr Andrei Gromyko, a number of reporters in a

Afghanistan.

including Paland.

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO hlame) has been communicated annual basis, with the meeting plans to implement includes a

YESTERDAY took steps to freeze future financial assistance to Poland, and said it was considering economic sanctions against the Soviet

At the same time, however, officials confirmed that a series of talks designed to lay the foundations for ending a threeyear interruption in "normal' hilateral relations with the Soviet Union would go ahead as The decision not to extend

further economic co-operation to Poland, except after a change nr improvement in the political situation in Warsaw was explained yesterday to the Polish Charge d'Affaires by the director-general of the Foreign Ministry's European Bureau.
The ministry added that the
majority of existing commitmeots to Poland would be bon-Japan's " acute concern "

about the Polish situation (and its acceptance of the U.S. thesis the Soviet Union is to foreign minister level on an with Poland that Japan stall

BY OUR FOREIGN STAFF

bave escaped arrest are begin-ning to appear in Warsaw and

elsewhere in Poland, suggesting

that the independent union

movement is regrouping under-ground. It is thought that the

union's central command struc-

ture has probably broken down, but that the movement is sur-

viving in small resistance-style

Lists are circulating of lead-ing Solidarity figures still at

large. Mr Władysław Frasyniuk,

member of the union's 18-mem-

ber praesidium and head of the

Wroclaw branch, declared in a letter that the union had not

fallen apart under martial law.

'It still exists and acts and Its

authorities are working because

reward for his capture.

Solidarity leaders call for passive resistance

LEAFLETS SIGNED by leading tees to prepare for a general decided upon and worked out Solidarity trade unionists who strike. Both men warned strongly against active resistance, but called on workers to co-operate underground opposition to the military anthorities. "Remember that the authorities are murderers," writes Mr Janas. "They are in-different to the number of

> Another top Solidarity leader, Mr Zbignlew Bujak, bead of the to continue to teach. Many Warsaw branch, is also at large journalists are likewise being and has also issued a statement to the union's supporters advising against violence. Three leaders of the August 1980 ship-yard strike at Gdansk — Mr Bogdan Lis, Ms Alina Pinkowska

and Mr Bogdan Borusewicz -

have reportedly escaped the of the will of the overwhelmiog security net, too.
Solidarity's nioth hulletin sioce martial law, dated Decemmajority of the Polish people," he writes. The authorities are offering a reward of Zolty 250,000 (nearly £2,000) as a her 30, repeats the demands of Mr Lech Walesa, the move-ment's chairman, that if the Another Solidarity leader, Mr Government wishes to negotiate Zbigniew Jaoas, head of the with the union, it must release branch at the giant Ursus tracthe entire union presidium and tor factory, has also issued an three of Mr Walesa's closest underground bulletin urging advisers. It also claim that the workers to form secret commitium position of martial law was last spring. Further indications of the

intervention

The working level talks are

expected to focus on bilateral

territories issues, involving four Soviet occupied islands north of

Hokkaido which are claimed by

Japan, Foreign Ministry officials

said yesterday that they would

also cover international issues,

A report in a Japanese news-

paper that Mr Suzuki bad

described the bilateral issues as

"more important" to Japan than the crisis in Poland was

denied yesterday hy the Ministry. It said the report was

based on a conversation between the Prime Minister and

passage of a government build-

ing and that Mr Suzuki had

military government's fear of the union regrouping under-ground are provided by the decision not to reopen the universities and technical colleges until further notice. Many university teachers are having to undergo "verifica-tion," the process by which their political credentials are people they shoot if it suits their reviewed, before being allowed

> Petér Montagnon, markets Correspondent, adds: A small group of Western hankers met in London yesterday to review the legal documentation of the proposed agreement allowing Poland to defer repayment of some \$2.4bn of debt falling due in the final three-quarters of 1981.

quizzed by panels.

The three-hour meeting was called to review the legal contract for the rescheduling which was distributed in draft form last month to some 500 banks owed money hy Poland. Reactions of these banks has not so far thrown up any serious



Mr Bujak . . . call to avoid

follow Poland now say there is little more they can do to finalise their side of the agreement until full communications

attack

on Schmidt

By Our Berlin Correspondent

GERMANY

attacked Chancellor Helmut

Schmidt of West Germany

over his latest reaction to the

Polish military takeover, for

the first time since the meet-

ing last month between Herr

Schmidt and President Erich

Honecker. The sharp critic-

ism could signal a hardening

# Zloty's unofficial value tumbles E.German

BY LESLIE COLITT IN BERLIN

THE POLISH zloty has fallen Western Europe which deals io oon-convertible East European

bureaux specialising in East European mooey will take the Polish currency at a beavy discount Herr Hans Binsch, owner of in Poland.

an exchange bureau in West Berlin, said he is paying 10 pfennigs (24p) for 100zlotys but that be bas not had a customer in weeks. The official exchange rate inside Poland following last week's 57 per cent devaluation of the zloty is now 80 zlotys for one dollar. exchanging zlotys for dollars at

Herr Binsch explained. As for huying zlotys, he and most West German banks are offering 100 ahle to enter Poland and among the 20,000 Poles now living in West Berlin who are sending some money to their relatives

The reason for the large margin, Herr Binsch said, is the cooviction that the zloty will continue to fall. There is also a widespread belief that the military authorities could issue new banknotes. "This would leave us holding a lot of scrap paper," he noted.

in East European currencies, also means golden in Polish.

PARIS—French Socialist and policy toward Poland. There are which has been postponed Communist leaders will meet a number of things I want to several times since its original

"I also have a lot of things

"Our differences, or at least

some of them, can be overcome

to say," commented M Marchais,

whose party announced it had

French Left aims to heal split

today to discuss their opposing say to (French Communist views on the events in Poland Party leader) Georges Marchais in a confrontation that marks the first aerious ideological said M Lionel Jospin, the split in an uneasy eight-month Socialist chief.

Mitterrand swept into power "absolutely no intention" of last May and appointed four budging from its stand on

Cabinet. The appointments Despite that contention, brought cries of alarm from Socialist leaders believe they

tive political forces that had ruled France for 23 years.

The meeting test of the conservation of the communists around to their point of view.

"Our differences to the conservation of the communists around to their point of view.

expected to produce a heated during the meeting," predicted debate between the Socialists M Jean Poperen, the Socialists

munist ablies.

Eight delegates from each the "We will discuss foreign party will be at the meeting, AP

and their pro-Moscow Com- national elections secretary.

Before the military takeover whose official exchange rate is cial foreign exchange market in fetched 90 pfennigs in the West ments, believe the current series of hanknotes would not he invalidated merely to catch the many speculators, big and Nearly all banks in West zlotys for 60 pfennigs. They are small, inside Poland who have Germany are refusing to accept attracting "a few buyers" sold scarce goods at exorbitant prices. sold scarce goods at exorbitant

"They are quickly exchanging their piles of zlotys into smaller stacks of dollars because the unofficial (black market) value of the zloty is sinking day hy day. Now, they are safely

Instead, be suggested, the Polish Government might want to "knock off a few zeros from the banknotes for reason of appearance," as poles have lost what little confidence they had Herr Binsch and other dealers in the zloty, which ironically

several times since its original

The Socialist and Communist

differences over Poland sur-

faced almost immediately after

martial law was proclaimed last

mooth and have been widening

Io one of the atrongest state-

ments from a European leader:

M Mitterrand condemned the

military crackdown and said the

loss of libertles in Poland must

be vigorously and consistently

The French Communist Party

has never condemned the mil-

tary takeover Instead, M Mar-

chais has said it "was the hest

possible solution, or in any case,

mid-December date.

denounced.

the least worst"

### of the East German line towards Bonn. The attack, by the East German news agency, came over Herr Schmidt's remarks

EAST

in Washington on the military crackdown in Poland Bast Germany abstained from any criticism of Herr Schmidt until he supported President Ronald Reagan's statement that Moscow was behind the Polish military government.

At the same time the Soviet news agency Tass was mildly critical of Herr Schmidt, leaving the East Germans to be more explicit.

The East German government news agency, in a dispatch prominently carried in all newspapers yesterday.

said that although Herr
Schmidt did not agree

"wholly with the U.S. sanctions, ha was interferring— no matter under whose influence—in Poland's internal affairs."

It also accused the Bonn Government of grossly violating the Heisinki declaration by trying in dictate to the Polish government how it should conduct its domestic affairs."

# Community urged to make stronger protest

BY JOHN WYLES IN BRUSSELS

It is only the second such meeting since M Francois

The meeting today also is

Communists to his 44 member Poland.

Cabinet. The appointments Description

three demands for easing the Church. mikitary crackdown.

Mr Leo Tindemans, the Belgian Minister for External Jaruzelski had hinted at the Affairs who is now president of the EEC's Council of Ministers, told journalists in Brussels that bis government was trying to clarification on this point nor organise a toughly worded EEC of it offering any encourageresponse to Gen Jaruzelski's ment to a policy of deportation. one and a half hour address to ambassadors.

Mr Tindemans said the general had mostly tried to justify the military repression and had failed to offer any adequate to place restrictions on the reassurances about restoring Polish emhassy in Brussels in human rights. He believed that retaliation against the severing

GOVERNMENTS are contents of the EEC foreign with the Belgian embassy in well be blocked by the Polish being urged by Belgium to protest to General Wojciech Jaru- day, which called for the liftzelski, the Polish leader, about ing of martial law, the release sadors in Warsaw on Monday of a dialogue with both the and to reiterate the West's Solidarity union and the It was still unclear, said Mr

Tindemans, whether General possible expulsion of union leaders, hut there was no question of the EEC seeking "The answer would be as

tragic as 'the question," he the said. Mr Tindemans also suggested that Belgium might be forced could be doomed hefore it

Warsaw. Anger at the restrictions has been increased hy his speech to Community ambas- of detainees and the restoration authorities to allow a doctor to visit the Belgian embassy to treat the ambassador's son, who was taken ill this week. EEC foreign ministers attend-

ing the special Nato ministerial meeting in Brussels on Monday are expected to resume a discussion on whether Mr Tindemans should go to

Warsaw and Moscow to express Community concerns directly, The idea was blocked last Monday by France and Greece.

Even if Mr Tindemans received the go-ahead, his trip started because he would almost human rights. He believed that retaliation against the severing Solidarity and Church leaders, the Ten should emphasise the of telephone and telex links Access in the former might

authorities

Paris's position on the proposed visit may prove to be more flexible than Greece's. The Papandreou government is beginning to cause increasing concern and irritation because of its reluctance to march in step with the rest of the Community on both the Polish and Middle East issues.

As a result, other govern-ments are beginning to think in terms of pressing ahead on the basis of consensus among the Nine while leaving Greece free to dissociate itself from EEC foreign policy decisions.

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# Angola accuses S. Africa of attack

South Africa yesterday of attacking Cuban Troops deep inside the country, and of escalating the condict with long-range air raids.

The official Angolan news

agency Angoy quoted the Defence Ministry as saying a Cuban saidler had been killed, three wounded and one captured when South African forces attacked Cuban and Angolan units 190 miles north of the Namibla border last weekend.

It said three Angolan soldiers had also been killed in the raid, involving aircraft and helicopters, in an area between Uiz and Mujembe. The Ministry said a South African statement on Tues-day that the Cubans had been shot near the Namibian border was false.

der was false.

According to South Africa
the clash occurred in what
Pretoria describes as an
operational area slong the
border. This refers in a
stretch of territory between
Namibia and the Cunene
River, which Luanda says has
been under South African
control since a major incursion last August.

sion last August.

A senior police officer blamed saboteurs yesterday for an explosion that damaged Government offices in Inhannesburg's satellite city of Soweto last night. No one was injured.

# Nigeria holds key to Ghana coup future

By Quentin Peel, Africa Editor THE FUTURE of the New

Year's eve military coup in Ghana could be decided by the attitude of the Nigerian Government, which provides Ghana, with virtually all its oil supplies.

Senior members of the deposed civilian administra-tion in Acera, who have fled the country since the coup, say that Ghana already owes Nigeria some \$90m (£46.7m) for oil supplies. Meanwhile, there are carrently only a few

weeks' reserve supplies in the country, in splte of strict rationing already in force.

According to the refugees, the Nigerian Government agreed to extend its credit terms at a meeting with Dr Hilla Limann, the former Ghanaian president, held just before Christmas. However, it has yet to state publicly its attitude to the new coup leaders, under Elt Lt Jerry

Rawlings. When Fit It Rawlings seized power in June 1979, and executed three former heads of state, the then military government nt Nigeria cut off oil supplies. Apart from a very modest level of production from Ghana fiself, the country receives all its supplies on generous credit

terms from Lagos.

An alternative supplier would be Libya, which has already recognised the Provisional National Defence Council in Acera, and is accused by Fit Lt Rawlings' apparents of having actively backed the coup.

Accra airport and the country's borders remain closed more than a week after the coup, although Fit Lt Rawlings has said that the

# Sudanese student dies

By Rick Wells in Kharbour

STUDENTS from Kharteum University staged a silent pro-test yesterday following the death of a student shot by riot police during Wednesday's demnnstrations. Police surrounded the university yesterday and guards were placed at the hospital where the student died.

The university senate was to meet last night to decide. whether the university is to be shut down.

Meanwhile, 12 politicians from south Sudan who were summoned to Khartoum for interrogation on charges of illegally organising a political party were released yester-day. Five are still in denten-

SAUDI ARABIA and the other Riyach's information about the conservative oil producing developments in the Iraqi-Guiff are deeply apprehensive about the possibility of a U.S. veto of the resolution now before the UN Security Council condemning Israel's annexation of the Golan Heights.

If the U.S. Administration also failed to take its own unilateral measures egainst Israel, pressure from racidcal

The Sandis are elso reported to be alarmed at the gains made by Iran in its conflict with Iraq. Riyadh is well-informed about the development of the war through its access to the elec-tronic data gambered by the Awacs radar surveillance aircraft, operated from its territory by the U.S. Air Force.

resolution last month condemntion and administration to the counterpart. Golan Heights.

plexed by the reaction of approve sanctions against Israel, Washington to the annexation its failure to do so would bring of the Golan Heights. In paran order for \$300m of military equipment, subsequently improved the terms of the next \$2.2bn aid package for Israel. Sandi Arabia and the other

conservative oil producers of the recent coup attempt in the states of the Gulf believe that Iranian war. Gulf are deeply apprehensive neighbouring Gulf state of the U.S. should, at the very Casualties Bahrain. They understand that least, put some squeeze on the the men, including 13 Saudis, finw of financial assistance to

> Saud al Feisal, Foreign Minister, at a news conference held decision last month of Mr late on Wednesday in Riyadh Menahem Begin'a Government at the end of a visit by Sig to extend Israeli law, jurdisdic- Emilio Colombo, bis Italian

> Security Council did not 'conflict and not peace" to ticular, they are bewildered by the Middle East. He appealed the way in which the U.S. to the U.S. to act "positively." Government, having stepended Saudi Arabia and fellow memhers of the Gulf Co-operation

suffered by Iraq are one reason why the Saudi leadership urged who were arrested before they Israel if it is to protect its President Hafez at Assad of could attempt the overthrow of friends and interests in the Syria to use any influence the Al Khalifa regime were extremely well armed and trained.

The U.S. supported the UN quiet was expressed by Prince bring an end to the conflict. But the Saudl ruling hierarchy is now sceptical about his will and ability to do this, even though Damascus would like to see an end to the war in the bope of bringing about Islamic solidarity to confront Israel.

Almost intolerable pressures

on the oil producers to take action against slates which in any way condone the Israeli annexation of the Gnlan Heights are now expected to be applied at the Arab Foreign Ministers' conference scheduled to take place in Tunis next week.

BY DAVID LENNON IN TEL AVIV

heing evacusted from Sinai, hut

a number of Ministers pro-

threatened not to leave their

settlements unless the Govern-

ment increased its original

an effigy of Mr Menahem Begio,

the Prime Minister, in protest.

Yesterday the settiers said

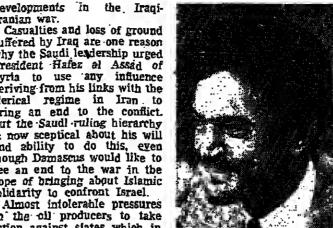
they were delighted with the

Last month they burnt

compensaion offer.

Settlers in Sinai to get

higher compensation



Prince Saud al Feisal

collective defence of the Gulf to be submitted to the GCC. It was revealed by Sheikh Salem region, are also understood to Meanwhile, Kuwait is pre- Defence in an interview yester-be deeply alarmed about paring a draft plan for the day with a local newspaper.

offered earlier.

Government offices and hung does not apply to the squatters

Mr Yoram

or were absent. This decision

who bave recently moved into

the Sinai settlements deter-

mined violently to oppose the

# Second Iraqi pipeline sabotaged

BY METEN MUNIR IN ANKARA

IRAQ'S OIL exports suffered has been supporting Iran in the another serious blow yesterday when saboteurs blew up the main pipeline carrying crude to Yumurtalik on Turkey'a eastern Mediterranean coast.

Until the pipeline is repaired Iraq's oil exports are unlikely in exceed 300,000 barrels a day (b/d), compared with nearly 3.5m b/d immediately before the war with Iran broke out in September, 1980.

Last weekend the newlyreopened pipeline to Tripoli in northern Lebanon was also blown up and a tanker attempt-

ing to load was hit by shell fire. Since the outbreak of the Gulf war Iraq has relied on the pipe-line to Turkey for the bulk of its exports, averaging about 600,000 b/d. Agreement with Syria provided for another 300,000 b/d via the pipeline to Banias but 100,000 b/d is taken by the Syrians for domestic consumption.

Iraq bas been forced to borrow heavily from Gulf Arab THE ISRAELI cabinet yester- Government's decision which states to sustain its war effort and maintain its economic day approved a payment of means they will receive some £137m to the Jewish settlers 20 par cent more than bad been 20 par cent more than bad been development programme. It is nnderstood to have received pledges of \$14bn in the past nine months, primarily from Kuwait and Saudi Arabia. tested that this was far too Finance Minister, opposed the high a price to pay the evacuees. Increases at a time when The settlers, who must leave Government budgets were their bomes, farms and busibeing cut. Mr David Levy, a

Repair work on the Turkish nesses in the northern Sinai Deputy Premier and Minister hefore the April 25 withdrawal date under the peace agree- to give in to the "bully boy ment. with Egypt, had tactics" of the settlers. pipeline is reported to bave started almost immediately and officials bope it can be com-pleted in five days. The extactics" of the settlers.

However the Cabinet decided plosion took place inside Turkish territory, close to the by five votes to four in favour horder with Syria. of additional compensation. A number of Ministers abstained

Work is also continuing on dence on the more vulneral the Tripoli pipeline but has routes to Turkey and Syria, been hampered by bad weather.

It has no prospect of results in the continuing of the continuing on dence on the more vulneral the tripolic pipeline. Until both pipelines are operating again, Iraq is solely depend-ent for its remailing oil exports on the goodwill of Syria, which been resolved.

Gulf war. Iraq has been discussing with Saudi Arabia the possibility of constructing a new pipeline to the Red Sea to ease its depen-

### Malaysia cuts crude price

MALAYSIA has cut the price of its crude oil by up to \$1 a barrel fullowing pressure from international oll companies, Ray Dafter, Energy Editor, writes.

Industry reports said that Petronas, the state oil corporation, had cut the price of its most popular Tapis blend light crude nil by 30 cents a barrel. The cost of the lower grade Bintulu crude is being cut by \$1 to \$35.10 a barrel.

The move by Malaysia— which is not a member of the Organisation of Petroleum Exporting Countries-follows similar price cutting measures by other important pro-ducers. Mexico, for instance, has just cut the average price of its output by \$1 a barrel.

Malaysia currently pro-duces about 260,000 barrels a day. Its exports, of about 200,000 b/d, go mainly to the U.S. and Japan. Industry reports said that Petronas had been forced to cut its prices in the face of a continning weak oil market.

dence on the more vulnerable It has no prospect of resum ing shipments by sea until the dispute with Iran over the Shatt al-Arah waterway has

# Saudi concern at pressure for oil sanctions

BY RICHARD JOHNS, MIDDLE EAST EDITOR

Arab states to impose oil sanctions against the U.S. and other Western states will grow remorselessly, according to sensor Saudi nificials.

Associated with these fears is

EGYPT'S NEW CABINET

BY ANTHONY McDERMOTT IN CAIRO

Shidde heilak" - with these

words, which mean a cross between "good luck" and "try your hardest," President Hosni

Mobarak entrusted the minis-

terial job of running Egypt's

economy to Mr Abdel-Fattah Ibrahim in his first cabinet

It is a powerful irony that this greeting has been made

a person on his sickbed, and it

is sadly appropriate in this case.

This is because many people

-both Egyptian and foreign-have been disappointed by this

partial reshuffle, particularly

when it comes to the new economic team. For, Mr Mubarak, since he succeeded Mr Anwar Sadat after his assassination on October 6, hes

resolutely said that after inter-nal security, reform of the economy to eliminate waste and

exploitation was to be his

A partiel reshuffle had been

promised for some time, with a view to strengthening the economic sector. But the nature of the appointments have brought most observers to hope

that deliberately or not the cabinet changes are a temporary feature, and, that the real changes are yet to come, prob-

ably after the projected with-

unchanged, came as something of a surprise and seems to bave

heen precipitated by three factors. The first was a general need for change in presidential style after Sadat's haughty paternalism

The second was probably Mr Mubarek's desire to establish

Muharek's desire to establish a government more of his own before the national economic conference planned for the second half of this month, before his first trip abroad in February to the U.S. West Germany, France and Britain, and before Israel's withdrawal.

But the third and most compelling reason, which could well account for the weakness of the appointments, was that

of the appointments, was that

in a corruptinn case.

drawal from Sinai by Israel The timing of the reshuffle, in which the key positions of defence and foreign affeirs were

reshuffle.

Mubarak disappoints

with his reshuffle

ing Israel which followed the The Saudi rulers are per-

He said that if the UN

Couocil, which groups the six traditional Arab regimes of the

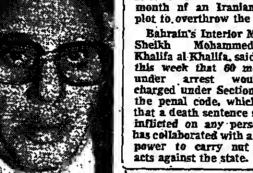
# Martial law decree

By Mary Frings in Bahrain

in Bahrain

THE Bahrain Government has published a decree empowering it to declare martial law if it sees any external or internal threat to the country nr its leaders. The decree follows the discovery last month of an Iranian-backed plot to overthrow the regime.

Bahrain's Interior Minister, Sheikh Mohammed bin Khalifa al Khalifa, said earlier this week that 60 men now under arrest would be charged under Section 122 of the penal code, which states that a death sentence shall be inflicted on any person whn has collaborated with a foreign power to carry nut bostile acts against the state.



Mr Mohamed Ibrahim

nating presence which, what-ever his faults, Dr Abdel-Meguid bad in abundance. .: Mr Mubarak bas inherited a

difficult economic situation. The inflow of funds from four big earners is growing substantially less fast than in recent years while the population and imports continue to grow at an alarming rate. .The more liberal "open door" policy bas increased corruption and helped intensity रव्यक्ष between the very rich and others. Perbaps Dr Abdel-Meguid's key mistake during his 19 months in office was not to use the balance of payments surplus—in the face of advice from the World Bank and IMF -to attempt to alter the basic structure of the economy so that it might become more selfsustaining.

Subsidies constitute one main area which is to receive attention. Mr Mubarak was apparently appalled to learn that they are now running at about EE2bn (£1.2bn) a year.

The "open door" economic policy has increased corruption and intensified social strains

Mr. Muharak has promoted himself as being strongly against corruption. Dr Ahdel-Razzak Abdel-Meguid, the Deputy Prime Minister with overall responsibility for the economy (Mr Ibrahim's pre-Dr Abdel-Meguid propably also failed because he lacked decessor), had been named-in probably unfair circumstances patience in his justified attempts to control the foreign -along with another minister What seems to have hapexchange markets and to curb pened is that Mr Mubarak bastily asked Dr Fuad Mohieddin his first Deputy Prime Minister and now full imports. As a result he moved too fast and baphazardly, causing uncertainty and confusion. He also seriously underesti-mated the fact that oil prices Premier, to select a new cabinet with emphasis nn changing the bolders of economic portfolios. This he did. would fall from their 1980 peak on which he based his assump tions. It is an irony that Mi choosing largely men with whom be has had a working relationship over the nina years in which he has been a Ibrahim should be his successor, for they were often at logger heads, with the Central Bank complaining they had been left out of important decisions. Mr Mr Ibrahim, now 60, has been governor of the Central Bank Ibrahim is temperamentally a completely different character of Egypt since 1976, having requiet, personable and diligent tired because of ill health after Given the nature of his task stints as minister of finance doubts remain whether in the long term be and bis-largely and social insurance in the mid 70s. According to most observers, he is able but phyunknown colleagues are equal to the task central to the success of Mr Mubarak'a governsically not up to the demands of his job and lacks the domi-

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# Notice of Meeting to the Holders of Itel Finance International N.V.

93/% Guaranteed Debentures due 1988 93/% Guaranteed Debentures due 1990 101/2% Guaranteed Debentures due 1993

NOTICE IS HEREBY GIVEN, in connection with the above-mentioned Debentures issued under Indentures dated as of April 1, 1978, October 1, 1978 and May 1, 1979, respectively, with Itel Finance International N.V. as Issuer and Itel Corporation as Guaranior, that J. Henry Schroder Bank & Trust Company as successor Indenture Trustee has called a meeting of Holders of the above-mentioned Debentures for January 21, 1982 at 2:30 p.m. at Carpenters Hall, Throgmorton Avenue, London EC2, and that the agenda of such meeting will consist of important matters relating to the status of the proceedings for reorganization pursuant to a petition under Chapter 11 of the Bankruptcy Code of the United States filed January 19, 1981 by Itel Corporation. An officer of J. Henry Schroder Bank & Trust Company, its counsel and its financial advisor will be present at the meeting. NOTICE IS HEREBY GIVEN, in connection with the above-mentioned Debentures issued

Inquiries concerning this Notice may be directed to J. Henry Schroder Bank & Trust Inquines concerning this Nouce may be directed to J. Henry Schroder Bank & Trust. Company by mail, or telephone, Attention: George R. Sievers, First Vice President, J. Henry Schroder Bank & Trust Company, One State Street, New York, New York 10015, Telephone: (212) 269-6500 or Joseph Chervin, Esq., c/o Messrs. Surrey & Morse, 485 Madison Avenue, New York, New York 10022, Telephone: (212) 935-7700, commel to the Trustee.

I. HENRY SCHRODER BANK & TRUST COMPANY as successor Indenture Trustee

BY PAUL BETTS IN NEW YORK

General Motors and Ford are offs. expected today to clear the way with the two companies. Some The car companies now hope 500 Ford and GM delegates are 1982 will see e recovery in car new contract.

Although the labour contract of the United Auto Workers Union at GM and Ford does not expire until September 14, the car union companies seem and the anxious to reach a settlement as soon as possible.

The delegates vote appears a foregone conclusion, as pressure has been building up on the union to reach as equitable a settlement as possible in the face of the continuing slump in the U.S. car industry and the tract with the Oil, Chemical and

country's continuing recession and the uncertain outlook on by Gulf Oil. the interest rate front.

out concessions to hold down labour costs.

have so far said they were not to the union ready to make concessions, but the fact they are ready to open negotiations so soon suggests they may well compromise. Oli companies are meanwhile

representatives at threat of further extended lay- Atomic Workers' Union. These negotiations affect some For the car companies, 1981 400 contracts which run out at for preliminary discussions on was another disastrous year, the end of this month and a new three-year wage contract with seles at rock-bottom levels. involve 55,000 refinery workers. The oil companies have offered 7 per cent wage inexpected to vote in favour of sales. But this turn-round is not creases this year and 5 per cent giving union negotiators the expected to occur in the next in 1983. But the unions rejecgo-ahead to start talks on the few months, in view of the ted this initial offer and are now considering a new offer made

> Gulf's latest offer involves an The car-makers are asking increase of 8 per cent in wages the unions to agree to numer- in the first year and 6 per cent in the second, in a wto-year contract. This is the best offer Car workers at Ford and GM so far made by any oil company

But Gulf's offer did not include labour demands for a "no lay-off" policy to protect workers from the threat of redundancy. The union indicated yesterday that it will probably reject Gulf's offer.

# Baldrige blames management

BY DAVID LASCELLES IN NEW YORK

Mr Malcolm Baldrige, the look into ways of boosting U.S. that Government has also bam-U.S. Commerce Secretary, yes-terday put some of the hlame for the deckining productivity

He said that management had made "a lot of mistakes" for the deckining productivity record of the U.S. on the poor management, although he said unrealistic wage settlements, particularly in the car industry, had also played a part.

Mr Baldrige's remarks were made to the first meeting of the new National Productivity focusing on longer-term objec-Advisory Committee set up hy tives.

in the past 20 to 30 years and

practices.

Mr Baldrige particularly singled out management's obsession with short-term targets, such as quarterly earnings gains, and said executives should start

pered productivity growth in certain businesses. In the anto industry, for example, U.S. energy policy of holding down gasoline prices had removed any incentive for Detroit to proshould take a close look at its duce fuel-efficient cars, a falling for which it is now counting the cost.

Auto workers had also won wage rises that were out of line with productivity increases, he said, and this had priced U.S. Mr Baldrige acknowledged cars out of the market.

# Latest recession 'began in July'

BY OUR NEW YORK STAFF

THE LATEST U.S. recession record. started last July, according to Government with dating busi-

This is somewhat earlier rates. than most economists had Petroleum consumption in thought — August and even the U.S. is expected to decline

their forecasts in light of the recent rebound in U.S. interest

september bad heen mentioned. for the second consecutive year another 12 per cent this year. This means that the period of this year; the Energy Departers another 12 per cent this year. Oil imports, bowever, are expansion from the previous ment forecast yesterday.

The department, which next year after falling by as next year after falling by as next year after falling by as next year. months, one of the shortest on President Ronald Reagan wants much as 10.7 per cent in 1981.

to phase out gradually, said Most economists expect the petroleum consumption will the National Burean of Ecoeconomy to show signs of decline by 0.7 per cent this
nomic Research, the private recovery this quarter or by year, following a 4.3 per cent
business analysis group
officially charged by the U.S. ever, some bave begun to hedge

Petrol consumption is also expected to decline for the second year running Petrol consumption dropped 4.2 per cent last year and the depart-ment expects it to drop by

# Levesque's | French supply arms to Sandinistas chief strategist

U.S. over its support for left-confirmation until now of recent wing régimes in Central reports circulating in Latin resigns America by agreeing to supply arms to the Sandinista Govern-By Robert Gibbens in Montreal ment in Nicaragua. THE chief strategist of the Parti quehecois, Mr Clause published in this week's edition Morin has resigned as Minister of Intergovernof the weekly magazine L'Express. The French External Affairs Ministry yesterday

mental Affairs in Quebec. Mr Morin had mapped out the party's step-by-step route towards sovereignty and, ultimately, independence, which was rejected by militants at a party conference in

Mr Morin's job will be taken over temporarily by Mr Rene Levesque, Premier of the French-speaking pro-vince, who is fighting to re-establish his authority in

the party. Mr Levesque has called a ballet among party members in which he wants them to back two principles.

These are that sovereignty must be coupled with a form of economic association with the rest of Canada; and that Quebec should not go ahead without the backing of a majority of its electorate That majority does not at present exist. The objective of "sovereignty-association developed by Mr Morin and Mr Levesque in the late 1960s was rejected by the electorate in a referendum in May

Mr Morin suffered another sethack last year when he failed to hold together a majority of the Canadian provinces opposing the conreform plans by Mr Pierre the Canadian sponsored Trudeau, the Cana federal Prime Minister.

Mr Trudean outmanoeuvred Quebec which was left in lone opposition, claiming that Mr Trudeau was violating pro-vincial rights. The constitutional plan has gone forward for endorsement by Westminster, The debacle encouraged

Parti quebecols militants to resume their all-ont push for independence to be pro-claimed if the party won the next elections, even if it did so (as in both 1976 and 1981) with a minority of the popular vote. The results of Mr Levesque's ballot 'are expected before the end of this month. He is expected to win, but has admitted he does not foresee many more than

100,000 of the party's 300,000

embers bothering to vote.

lawyer in 1976. Mr Casey contended in past

Fresh talks on Falklands planned

BRITAIN and Argentina are year, probably in February, preparing a new round of although the location of the Islands, the disputed British colony in the South Atlantic.

Fresh talks had been always yet to be decided.

Whitehall has yet to assess fully the implications of the change-over in Arrange in Arrange. negotiations on the future of colony in the South Atlantic, change-over in Argentina, Fresh talks had heen planned although it recognises that the to take place in Geneva in the new Argentine Government may week before Christmas, hut be tempted to take a tougher were postponed hecause of the stand than its predecessor on removal from the Argentine foreign policy issues.

Presidency of Gen Roberto Viola Gen Leopoldo Galtieri, the

and the major Government re- new President, has in the past ahuffle that followed it.
According to Foreign Office taken an uncompromising stand on Argentina's other major tertaken an uncompromising stand are planning to meet early this and its claims to three Argen-

gintian islands in the Beagle Channel.

Argentina wants soveireignty over the Falkland Islands. Whitehall, however, bas always insisted it must respect the wish of the 1,700 islanders to remain British.

Both sides are pressing for solution because of the recent janies are reported to be reinctant to commit themselves to in 24 hours. officials in London, the two sides ritorial dispute, involving Chile any major investment unless the

THE FRENCH Government has failure of the U.S. Administra- wards condemned by nine right- France has also agreed to provide food aid and financing for risked a further clash with the tion to obtain direct French wing administrations in South

several industrial projects. The Ministry emphasised that French policy was not to let that the arms will be passed to Third World countries become exclusively dependent on the Eastern bloc for arms supplies.

According to the magazine French External Affairs report, France has agreed to Ministry emphasised yesterday provide two patrol boots two The U.S. view is that Nicaragua is aiready heavily armed and that the French sale will exacerbate tensions in Hermu, French Minister of

Central America. More broadly, the arms deal fits into President Mitterrand's belief that tensions in Central America reflect economic and social inequalities and that leftwing régimes need support to keep Communism at bay.

# CIA director back in spotlight

ment, including Mr William

The issue of whether or not

require him to register.

or its staff.

America of the French arms

provide two patrol boats, two

and limited naval and air train-

ing. The deal is said to be

worth over FFr 100m (£10m).

In September, the U.S. reacted

guerrilla organisations fighting the U.S.-backed Government in

The joint initiative was after-

Alouette-3 helicopters, lorries clause forbidding re-export.

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

U.S. anger at the deal is San Salvador.

month. It declined to elaborate with indignation to a joint on the type of weapons beyond French-Mexican decision to

saying that they were of a recognise the two left-wing "light" and "non-offensive" guerrilla organisations fighting

Intelligence Agency (CIA), was yesterday once again back in the spotlight of unwelcome Washington publicity.

BY DAVID HOUSEGO IN PARIS

Details of the agreement were

confirmed that an arms sale had

been made to Nicaragua last

likely to be exacerbeted by the

In a front-page story, the Washington Post said it had Government documents strongly suggesting that he should have registered as a foreign agent when representing the Indo-nesian Government as a private

Senate inquiries into his affairs that he only performed limited legal services for Indonesia and attended "informational meetings" with officials of the Internal Revenue Service—activities that would not require

MR WILLIAM CASEY, President Ronald Reagan's controversial Director of the Central

The Post, however, maintains him for "inattention to detail" that documents show that Mr in disclosing his past business Casey actively lobbled top dealings. The finding was accompanied officials at the Treasury Depart-

In an attempt to dispel fears

guerrillas in San Salvador, the

that the contract included a

to be taken up with M. Charles

Defence, who is at present on a

The External Affairs Ministry

yesterday put the arms sales in

the context of France's growing

ties with Nicaragua. M Claude

Cheyason, the Foreign Minister,

visited the country in August.

visit to the U.S.

The issue is, however, certain

by calls for his resignation similar to those that greeted last Simon, the then Treasury Sec-retary, for multi-million-dollar July's allegations about the changes in U.S. tax law — an husiness record of the man he activity that would normally bad appointed to head undercover operations, Mr Max Hugel Mr Hugel resigned, Mr Casey narrowly survived.

Mr. Hugel maintained his

Mr Casey should have registered is currently under review by the Justice Department. The Senate intelligence cominnocence, but Mr Casey's critics, and there are many of them in Washington, argued mittee said yesterday that the that he had shown bad judg-Post article contained nothing ment in appointing Mr Hugelthat was new to the committee r its staff.

Last month, after a lengthy paricularly in his capacity as a former chairman of the Securiinquiry, the Committee someties and Exchange Commission what grudgingly concluded that the watchdog of Wall Street. ties and Exchange Commission,

# Curb urged on TVA nuclear programme

KNOXVILLE—The Tennessee Valley Authority (TVA) is building too many nnclear plants, because the growth of power is fading, according to a staff report urging further curbs on the authority's power programme. . Three nuclear reactors could

be mothballed as a result of the conclusions by the TVA economists: The forecast also shows that

new coal-fired power plants could be more feasible in the next decade.

Crushing interest rates, inflation and stiffer safety require-

ments in the wake of the Three Mile Island nuclear reactor accident near Harrisburg, Pennsylvania, have driven the cost of the TVA programme to seven or eight times its original estimate. Mr David Freeman, a TVA director, said.

# Golden Gate Bridge re-opens By Louise Kehoe in San Francisco

SAN FRANCISCO'S Golden Gate Bridge was reopened yes-terday after being closed for two days by storm damage to the highway leading from the bridge to East Bay. A huge landslide had cov-

discovery of oil-rich offshore ered the highway during a fields near the islands. Oil com- storm which saw a record 10 inches of rain fall in the area

The death foll stood at 24 yesterritorial dispute is settled. I terday, and is expected to rise.

# WORLD TRADE NEWS

# Turkey optimistic on trade

By Metin Munir in Ankara THE TURKISH Government is forecasting a substantial in-crease in both exports and im-

The increases will continue to leave the visible trade halance in deficit, but the Government expects a strong performance in the invisible sector to meet the deficit, Mr Kemal Canturk, the Trade Minister, said yester-

Mr Canturk expected exports to rise to \$5.6bn (£2.9bn) from last year's estimated \$4.5bn. Exports were up 65 per cent in the first 11 months of 1981, he said.

Earlier this week he announced a 1982 target of \$10bn in imports compared to \$8.8bn in 1981. He said yester-day that the trade deficit would be covered partly by about \$2.8bn in remittances from workers ahroad and by \$825m in foreign credits.

The targets indicate the Government's confidence in the continued economic recovery. No difficulties were expected in financing the trade deficit, which, at \$4.4bn, will be almost the same as last year.

The services balance in 1982 is expected to be in the black by a net \$2.7bn. The Government is expecting \$2.60n from expatriate workers, \$400m from tourism and \$700m from other

It is also planning to use project credits of \$900m and programme credits of \$400m this year. The main suppliers of credit are the U.S., which will provide \$200m, Sandi Arabla, \$150m, and the World Bank, which will supply \$400m.

The Government seems confident it will be able to hridge the overall balance through short-term trade financing and medium-term loans.

Turkish exports grew by an impressive 54 per cent last year and also underwent changes in their structural and geographical aspects.

Industry started to catch up with agriculture which traditionally dominates exports. In the first 10 months of 1981, industrial exports were 48 per cent of the total compared with 36 per cent in the same period of the previous year. The corresponding figures for agricultural exports were 57 per cent and 47.6 per cent

# UK companies seek Philippines steel deal

BY EMILIA TAGAZA IN MANILA

DAVY McKEE and Direct joined forces in an attempt to to increase the company's win a turnkey contract to ex-pand a steel complex in the tonnes of slabs.

Philippines worth up to \$800m. The integrated steel mill is

competing against a consortium of Lurgi of West Germany and Voest Alpine of Austria and Kawasaki Heavy Industries of Japan in partnership with Krupp also of West Germany.

Province, in southern Philippines.

one of the Philippine Govern-The two British companies are ment's 11 major industrial projects aimed at overhauling the country's industrial policy and shifting it away from importsubstitution to large-scale, export-oriented industries.

The others are: a copper The winning group will build smelter, a phosphate fertiliser an iron-making plant, a steel-making plant, and a rolling mill establishment of a heavy at the National Steel Corporation's (NSC) complex at Iligan num smelter, an expanded local cement industry, an integrated pulp and paper mill, a coco-

The three units would inte- chemical plant, a petrochemical Cesar Virata said that among the Reduction of the UK have grate NSC's operations and aim complex, and an alcogas pro-

> But like some of the other projects, the steel plant plan has been scaled down. Mr Roberto Ongping, Industry Minister, who packaged the projects, originally envisaged a blast furnace which would have cost about \$2bn at current prices. But the government has now settled with the less costly solid reduction pro-cess, which will use natural gas as feedstocks, and locally produced coal and products as raw materials.

After a cabinet meeting yesterday, which centred on the government'a industrial strate-

11 industrial projects, the scaling down is in the integrated steel

Mr Virata said that six of the projects are heing implemented and will come on-stream by 1985 as originally scheduled.

These are the copper smelter, the fertiliser plant, the diesel engine industry, the heavy engineering industry, the cement industry expansion, and the pulp and paper plant.

Meanwhile, the contract for

the coco-chemical complex, which is designed to process the bulk of the country's coconut oil into fatty alcohol, is to be signed formally next week with Lurgi.

# Manila concerned over drop in tourism

BY FRANK GRAY, RECENTLY IN MANILA

THE PHILIPPINES' reputation seen as falling by about 5 per of having the largest English- cent to about 165,000. east Asia, including Australia, has spurred its drive to ettract international convention busi-

The national tourist office in Manila says the country has enjoyed nearly three decades of tourism growth, particularly during the hotel building boom of the 1970s. This culminated in 1980 with a record 1.1m foreign tourists, the first time the Philippines had topped Im.

The country's hoteliers are concerned at the sudden, though not unexpected, downturn in tourism experienced last year. Preliminary estimates are that tourism will have fallen by about 8 per cent in volume terms for the year. The decline comes at a sensitive time for the hotel industry, many of whose hostelries were beginning to show profitable occupancy rates of 60 and 70 per cent, e welcome improvement from the 30-40 per cent levels in the years following the building boom. Foreign tourism is worth about \$500m

year to the economy. The decline is centred on the Philippines' two largest customer nations, Japan and the U.S., whose combined tourist count comprises nearly 40 per cent of the country's foreign visitors, and an even higher proportion of foreign exchange

revenue. Japanese tourists are likely to have fallen by more than 20 per cent to 210,000 for the year, hundreds of millions of dollars while those from the U.S. are have been poured recently into

But two other markets which But two other markets which have boomed in recently, Australia and Hong Kong, are also in decline. The Australian tourist count has fallen by 10 per cent to 65,000 and Hong Kong's by 5 per cent to about 95,000. The high volume of Hong Kong visitors is offset somewhat by the fact that a high proportion stay only a high proportion stay only a few days. Hong Kong is a 90minnte flight from Manila.

The decline is attributed generally to the worldwide recession affecting the tourist and air transport industries. Officials are hopeful that any prolonged deterioration in these key markets could be offset by continued growth in some of the newer markets. Among these are West Germany and Britain, virtually non-existent sources of tourists a few years ago, but which provided the Philippines with an estimated 32,000 and 21,000 visitors respectively last year, in each case an increase of

5 per cent.
Strong Italian and Swiss of 50m.

Markets, each of about 10,000 While Manila has been the focal point for most building, the Tourism Department has improvement in from South Korea, a scarcely

touched region which has been hampered by travel controls. These have been eased recently and the Philippines is hoping to reap the benefits in 1983.



development and into Philippine Air Lines (PAL), the national airline.

A decade ago, Manila had four international-standard hotels, but now there are 14 five-star and eight four-star pro-perties in the capital city of the

pushed for improvement in wide-bo hotels and tourist facilities points. throughout the country in places such as Baguio, north of Manila, and the Legazpi, Cebn and Zamboanga resorts to the

The Department of Tourism and the Philippines Convention Bureau have much at stake in supporting the industry, for hundreds of millions of dollars is less seriously affected. The convention centre, the

hotel and convention facility largest in South-East Asia, has shown a steady growth in bookings and is expected to host 100 international getherings next year, attracting 225,000

Less satisfactory, bowever, is the status of PAL. An almost continually profitable private airline until it was nationalised in the late 1970s, it has embarked on a costly fleet and route expansion programme. It operates Airbus and Boeing wide-bodied aircraft to various

The route expansions have nearly doubled its international passenger boardings from 725,000 two years ago. But the price has been high, for the company lost Pesos 394m (£26m) in its last fiscal year, one in which the Government as shareholder, increased its stake from Pesos 1bn to Pesos

# Jordanian contract for Wimpey By Our World Trade Staff

GEORGE WIMPEY International, has won a £27.4m contract from the Ports Cor-poration of Jordan to build container and roll-on-roll-off

berths at Aqaba Work starts this month on the berths, which will be 350 metres long and be carried on tubular and sheet piles. Decking will be of pre-cast concrete construction. It is expected that work will be completed in June, 1984. • Lazard Brothers has

arranged an ECGD-backed line of credit of £9m for the purchase by Reliance Textiles of Bombay of 12 model SD 58 draw-texturing machines from Ernest Scragg and Sons, a division of Stone Platt Industries, of Maccles-field, Cheshire and of three diesel generating sets from Mirriees Blackstone of Stam-ford, Lincolnshire. Funds will be provided by Lazards and by Bank of Baroda.

 General Electric has entered the lists against Bolls-Royce and Pratt and Whitney in the competition to supply engines for Singapore Air-lines new Boeing 747 aircraft with stretched upper decks. At about \$20m (£10.5m) for the engines plus spares for each aircraft, the deal will be

worth about \$160m. Airhus Industrie, the European airliner manufacturing group, has won its first order of 1982—one A-300 Air-hus for Egyptair, worth about \$30m (£15.7m), raising that airline's fleet to eight aircraft. This raises total Airbus orders to 503 (344 firm and

159 on option), of which 158 have been delivered. Ghana Airways has ordered one Fokker F-28 Fellowship jet airliner. This hrings to 191 the number of F-28s ordered to date.

● Jet America, a U.S. domestic airline, has ordered one McDonnel Douglas DC-9 Super 80, bringing to 114 the total of Super 80s ordered firmly to date, of which 63 bave been delivered. The Airline of the Marshall Islands has ordered one British Aerospace HS-748 air-liner, bringing the total num-ber of HS-748s sold to date to

358 to 79 opeartors in 50 countries. • Boeing said in Seattle that KLM-Royal Dutch Airlines had ordered a 747 jet at a cost of about \$90m, valued in 1983 delivery year dollars.

# S. Africa to negotiate fresh trade agreement with Zimbabwe

BY BERNARD SIMON IN JOHANNESBURG

negotiate a new trade agree agreement in the interests of ment with Zimbabwe to replace political stability in southern the preferential arrangement Africa. which the Pretoria government said would be terminated in March, 1982.

according to a senior official of of Industries and Commerce, but and nor quotas on the official confirmed that products.

"we're prepared to negotiate." The agreement has been a major factor in nurturing Zimbabwean industries which

It is not yet clear why South goods. Africa has changed its mind, Wha hut various Western govern agreem

SOUTH AFRICA has agreed to its decision to terminate the

The present agreement is of far greater benefit to Zimbabwe than to South Africa. It provides A date and venue for negotia- for the suspension of most tions have not been fixed, export and import controls on trade between the two countries. the South African Department for preferencial customs duties of Industries and Commerce, but and for quotas on some

meeting may be held next major factor in nururing zimbabwean industries which south Africa gave notice of rely on the South African market, including clothing, footwear and radio mannits intention to terminate the market, agreement, signed in 1964, amid footwear signs of a marked deterioration facturers,

signs of a marked deterioration in political and economic relations between Pretoria and Salisbury.

The Zimbabweans are understood to have approached South Africa, exports are inhibited by stringent foreign exchange to Zimbabwe consists exports renewing or replacing the agreement.

Although Zimbabwe is South Africa's exports foreign exchange to Zimbabwe consists exports machinery, building materials and a variety of consumer goods.

It is not yet clear why South
Africa has changed its mind,
hut vamous Western governments are known to have suggested that it should reconsider

Sooos.

Whatever form a new trade
agreement takes, the South
more evenly balanced benefits.

# British Shipbuilders wins £14m Hong Kong order BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS has Rice commented . "The corporawon an order to build a £14m tion believes it has found what bulk carrier for Taikoo Navi- the fuel-efficient economical

the new B45 economy design first introduced at an Oslo exhibition last May. The 45,000 deadweight tonne ship is due to be delivered early in 1984. BS won its first B45 order in

November when the British affiliate of Jebsens of Norway ordered two from the Govan yard in Glasgow.

The vessels for Taikoo will be built by Sunderland Ship-builders, who managing direc-tor, Mr Herbert Rice, said the subsidiary's forward workload was no better than it had been for some time

bulk carrier for Tsikoo Navigation of Hong Kong part of
the Swire Group. This brings
the corporation's total Hong
Kong order book up to 15 ships
worth £165m.

The order is the second for

The order is the second for the next few months if the present momentum was to be maintained.

Illustrating the strength of the

Hong Kong fleet — BS orders for owners there represent 452,000 dwt — shipbrokers flavery Mullion said latest figures showed a total fleet of marry with the street where the said street of marry with the said street was showed a total fleet of marry where we said the said street was shown the said street nearly 57m dwt, mostly under flags of convenience.

Hitachi Shipbuiding and

Engineering says that it has contracted to export eight cassons worth, Yohn (£11.9m) to Esso Resources Canada, a Canadan developer of crude oil mineral for some time.

Much of the work on the B45
was done by Sunderland, and Mr
reports from Teliyo.

# Prior's problem: setting a wise course while he is learning the ropes

DESPITE his relaxed manner. Mr. James Prior, Secretary of dangerously short in Ulster, State for Northern tracking is a where local politicians have man in a hurry.

Unlike most of right predeces indeed. Even those who are sors, he arrived midway well disposed to a political through a Parliamentary term initiative worry that talk of and, win or lose, it is unlikely elections this spring or summer he will be back in the province after the next election.

make his mark. The battered self to nothing There is still province needs pregress, both time to pull back if the economic and political and Mr temperature does not feel right. Prior cannot afterd to drop It seems distinctly chilly at the from sight for the next two moment,

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Such a time scale can be learned to play very long may be pushing things too fast.

At present it is merely talk. That gives kin little time to Mr Prior has committed him-

Mr Prior inherited as difficult. Mr Prior problems with the Prior is the most senior Secre- burry.

Brendan Keenan on the problems facing a minister in a hurry a situation as any Secretary of Unionists, means that Mr Prior tary of State since M William

State. The hunger strikes pos- enjoys a better working relasibly left behind more bitterness tionship in Dublin than most than at any time since the of his predecessors. troubles started.

Politicians have grown so weary of the search for solutions that there is virtually an unspoken acceptance that doing nothing is as good a policy as any.

On the other hand, the Anglo-Irish dialogue, which has given

He arrived with one selfinflicted disadvantage - his widely publicised reluctance to go to Ulster in the first place. This episode is still used against him, particularly by the

The positive side is that Mr

Rev Ian Paisley and his sup-

Whitelaw. In addition, he probably has the best team of ministers to occupy Stormont Castle since the troubles began,

Ulster politicians refer to his obvious coofidence, and ability to absorb a brief or an argument, and they compare him favourably with some of his predecessors. But confidence can have its own drawbacks, especially when one is in a

Mr Prior made early blunders about the status of the B Specials and the report of the 1976 constitutional convention In fairness, the hunger strikes and the deteriorating security situation which followed left little time for reading himself

in before having to face angry

Even this week's news conference on his economic package, however, was not an unqualified success. Reporters felt

they needed more information overall agreement between the the figures were unclear.

ters-especially new ones-to with which everything is re- the journey if they do not like ported and analysed.

Mr Prior is trying to learn impressed at the flow of ideas from his office.

No one now is looking for an have only one chance,

and there were complaints that warring parties. Instead, progress is to be made in stages It is a familiar enough situa- and each stage should be able tion for those who have ob- to stand on its own merits. That served the years of direct rule, is one reason the economy

It is difficult for British minis seemed a good place to start. Suspicious Ukter politicians appreciate the small scale of will try to see where the stages Ulster affairs and the detail are leading and try not to start

the direction. Mr Prior has already shown and make progress simulthat he does not lack nerve, taneously. Officials have been hut has he enough time?

For whether he succeeds or fails, James Prior will probably

# in paint industry by recession

BY MAURICE SAMUELSON

THE paint industry, with sales 22,000 people. Although there of about \$800m a year, is with has been some short-time work nessing a growing number of mergers and attempted mergers as the recession sharpens competition for home and foreign

The trend was highlighted by Tuesday's news that Inter-national Paint, the 88 per centowned subsidiary of Courtaulds, more heavily reliant on exports has bought 12 per cent of the than the decorative paint procapital of Arthur Holden, the Birmingham based manufacturer of surface coatings.

Holden, which attracted the Crown Dulux and Berger. interest of other companies in . The packaging industry is the the past year, has not taken

Nevertheless, it is part of a well established trend. Last year saw the purchase hy Silver been linked with Metal Box, Paint and Lacquer of the paint Britain's and Europe's biggest interests of the Bestobell packaging company, which engineering group and the sale retains 9.3 per cent of A. Holof TI's paint company, Dry-namels, to the Donald Macpherson group, which made several

- Blundell-Permoglaze recently in the marine paint husiness acquired Federation Paints, of and last year moved into a pro

The industry has two main ings, varnishes, adhesives and pean-owned company which powder coatings and anti-corro-could compete with the large sives—in which A Holden is a U.S. coolings manufacturers medium-sized specialist: which ride on the hacks of the medium sized specialist. Which ride on the hac

has been some short-time work-ing there have been no major

In spite of the deceleration in building, demand for decorative while industrial coatings have gone down markedly.

Manufacturera of coatings are ducers who dominate their domestic market through well known brand names such as

most important international hope that this might lead to an ings produced by A. House, hope that this might lead to an ings produced by A. House, eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger and a full bid is in this market that Interested eventual merger eventual strengthen itself against major

U.S. companies.

A. Holden traditionally has den's shares although its holding was previously much larger. International Paint has estab Hished itself as a world leader tective coatings deal in the U.S. Mr Ronald Woodhouse, chairareas: decorative paints for the man of International Paint and building trade; and industrial a Courtaulds director, says he paints—such as lacquers, coat- wants to see a strong Euro

# Mergers encouraged | Row likely over site for Heathrow terminal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A ROW is likely as a result of efforts by British Airways to

build a fifth passenger terminal The plan is to locate the teras an alternative to developing Statisted Airport, Essex.

Documents' submitted by British Airways this week to the public inquiry into the de-velopment of Stansted identify two alternative locations for the Perry Oaks sewage works-one near Dorney and Eton Wick, close to Slough and the other at South Iver, hetween Colnbrook and the M-4 motorway.

Both are close to existing hous-ing developments and that at minal on the site of the existing Dorney is near a proposed British Airways up to £170m a sewage works at Perry Oaks at housing development at Cippen- year in operating costs. housing development at Cippen-ham. The cost of a new sludge The airline says Terminal ham. The cost of a new sludge works would be about £60m.

tive MP for Beaconsfield, said ing 264-acre Perry Oaks sludge yesterday both auggested aites works had been removed to anwere unacceptable and he other site. as major aewage works. The Buckinghamshire County Conncil is strongly opposed to their

Both sites are in the Green Terminal Five on the grounds Belt, South Iver heing in the that such a terminal, to handle Coine Valley Regional Park, up to 15m passengers a year, would he cheaper to develop than Stansted and would save

> Five could he in operation by ahour 1989-90, after the exist-The Thames Water Authority.

which owns Perry Oaks, disagrees. In its submission to the Staosted loquity it says it has no wish or intention to vacate require an acceptable alternaoperational require-Water's

ments. Thames Water says it would not start to vacate even part of the Perry Oaks site until an alternative site had been Terminal Rive have yet to be settled, and it does not believe discussed at the Stansted this could he done until 1986the date of what it calls the "decision to proceed."

Allowing one to three years to vacate even part of the Perry British Airways is pursuing the site at Perry Oaks.

Oaks site, this means work on age works to another sits case for the development of "If required to do so by Terminal Five could not start West Middlesex or Bucks.

governmental or other pres- until some time in 1987-89, and sures, Thames Water would it would not be operational until it would not be operational until the early 1990s.

financed and phased at a time. Authority—which is strongly scale acceptable to Thames opposed to Terminal Five but is vigorously campaigning in favour of Stansted-says could have Stansted operational hy 1988.

inquiry, hut are expected to come up in the next few weeks.

There is certain to be a public outery against any suggestion of moving the Perry Oaks sew-

# Instrument companies to make 660 redundant

By Jason Crisp COMPANIES making

electro-mechanical instruments are making 660 people redun-dant hecause of weak demand in the home market and a move towards electronic equipment. Brown Boveri Kent will make 300 redundant at two sub-sidiaries, Kent Proceas Control of Luton and Kent Industrial Measurements of St. Neots. Mr John Notley, chief executive of Brown Boveri Kent, hlamed the recession in the petro-chemical industry and duplication of manufacturing capacity in Italy.

mechanical instruments will be concentrated in Italy, where about 50 of 500 staff have been made redundant in the last six

Kent Process said it would try

to find the redundant workers

other jobs within the organisa-

tion.

Brown Boveri Kent ls a partiall) owned subsidiary of Brown Boyeri of Switzerland, Taylor Instruments, a subsidiary of Sybron, the U.S. health company, will make 360 of 800 employees redundant at

### Defence Ministry puts tighter controls on torpedo deal Bridget Bloom looks at Marconi's £500m contract the U.S. Political factors like the retention of jobs help to explain why the Cabinet decided last September to give

place renewed emphasis on negotiating fixed price—as distinct from cost-plus-contracts for equipment as part of its effort to control spending.

In December it signed its largest such deal, a £500m contract with the Marconi company. Officials hope it will result in production of two new British torpedoes, which will carry big export hopes. Scepticism has surrounded the project from its heginning

more than a decade ago. The main issue has been whether Britain should develop its own thinking" underwater weapons ore buy American. Some politicians and officials believe that the decision to develop British torpedoes proved too costly. Early development of the lightweight torpedo, now which ride on the backs of the called Sting Ray, mounted

rapidly. By the time Mardoni got its first management contract for the project in 1979, about £920m at then current

prices had heen spent.
The Ministry says early prohlems centred on' poor management, Though Marconi was the prime contractor, the Ministry had overall responsibility. One official said the project "ambled along, its costs rising £500m contract, which was all the time." Originally it was announced to Parliament on financed entirely on a cost-plus basis, with the Ministry laying down specifications and meeting the bills as they came in.

Marconi's second main contract for Sting Ray, for £200m, signed in 1979, fied down the company and the service by the late 1980s.

Ministry more firmly. Marconl
was made responsible for the The contract is billed as

"target" overruns (or underruos) with the Ministry.

Details have not been made public but the Ministry says the company bas done 'Tather well," accurate.

The ministry has highlighted several key features in the announced to Parliament on December 17 and covers continued work on Sting Ray, and development and initial production of the heavyweight 7525 torpedo. No time Emit is publicly specified but both torpedoes are expected to be in

heing for a fixed price, and specifies that the company must produce an initial 100 heavyweight and 250 Sting Ray • The company has agreed to

a target unit cost once full production starts. If the company fails to produce torpedoes at or under target cost, financial penalties will apply;

• The contract provides incentives on time, reliability and serviceability. Bonuses will he example, if Marconi manages to produce within cost a faster or quieter torpedo than the minimum agreed specifications. won the heavyweight torpedo deal against stiff competition from Gould of

the contract to the British company. However acknowledged that the tenders

were not really comparable. The U.S. Navy's cost for Gould's MK 48, estimated at between £350m and £450m, was for full delivery of an already developed weapon, whereas the Marconi contract was for final engineering development and initial production only of the two torpedoes.

Sceptics have voiced suspicions of a contract which wraps up the two torpedoes in one deal. But the ministry says many of the facilities and much of the technology and manage-ment are shared between the two weapons

Stevenage. Taylor hlamed the changing nature of the instrument industry from electromechanical products to com-puter controlled systems. The company's products include temperature and flow controls. Sybron will concentrate production of electro-mechanical instruments in Rochester, New York. The remaining employees in Stevenage will make the more advanced systems.

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# Harrods hopes to beat £5m sale record

By David Churchill, umer Affairs Correspondent

THE world's biggest winter sale opens at Harrods in Knightsbridge, London, today with the store hoping to heat last year's record £5m lakings

on the first day. Selfridges reported that takings in the first week of its salethe second largest in the world-were 17.4 per cent higher than last yesr. Only slow trading on New Year's Eve and the following day kept the percentage increase

Selfridges said that on the first day of its sale takings were 40 per cent up on the first day

last year. ut Mr Boh Linyd-Jones. director-general of the Retail that the sales boom would only help to restore the lost sales volume in the weeks before Christmas. Retailers' margins were still squeezed by rising

Harrods has decided to start its winter sale on a Friday this year iostead of the Saturday to reduce the crush

Last year the onening day saw ahout 300,000 neople in the store—about 10 times the normsl number.

Harrods used special promotions and advertising for its pre-Christmas trade but It does not intend any special gimmicks to attract pubheity for its sales. Selfridges received considerable

publicity last week when its sales queue was hesded by a man waiting to huy hargains for charity. Selfridges gave him a colour television set and a cheque for £750.

The opening day of Harrods aale is likely to require shout 5.600 kilowatts of power supplied by the store's own generators-enough to power a small town all dsy — and 250,000 gallons of water pumped from its own artesian

About 2.5m bags are expected to he given to customers and 13 tona of rubbish collected at the end of the day.

### Ross redundancies

FORTY-EIGHT jobs are to go at Ross Foods' Lowestoft fish processing plant, because of a fall in 6sh supply in the port and a downturn in the catering market.

Siriol Auimation, has been launched in Cardiff to produce Welsh cartoons and

# Single-class TV shares approved

Authority has approved a singleclass share structure proposed by one of the new ITV contractors, Television South West.

At a stroke this undermines the widely-held helief that the IBA requires the share capital of commercial television companies to be split into voting and ooo-voting sbares.

Institutional investors have long objected to the restriction of voting power because it can be used to enable directors to retaio control of a company inspite of poor profit performance or controversial action.

The results of Associated Communications Corporation, for example, have been severely depressed by huge losses nn films in the past two years and the group is involved in controversy over a proposed £560,000 casb compensation pay-

AN INTERNATIONAL explor-

ation consortium led by the

independent British group

Ultramar has made a promisiog oil discovery in the North Sea.

The find of light, high quality oil is in block 13/29 in the Outer Moray Firth, some 50 miles north-east of Peterhead, Scot-

laod. It is the first discovery in

Ultramar, the operating com-pany, said oil flowed during

tests at rates of up to 4.142

harrels a day from a 54 ft tgross) section of Jurassic

sandstone. The specific gravity of the oil-s measure of quality-

-was said to be 40 degrees

Petroleum Institute standards.

The consortlum is evaluating

the drilling data. But Ultramar

American

that part of the North Sea.

BY RAY DAFTER, ENERGY EDITOR

them is held by Lord Grade, the open to more conventional pro-chairman, Mr Gill and Mr Louis posals. Benjamin, another executive

The security of Lord Grade's control over ACC is enhanced further by a provision in the group's articles of association that no voting shares may be without Board transferred approval.

The IBA now claims, however, that all this is none of its doing. Its sole concern has been to ensure that changes in the approval. In the past, companies have dropped the splitshare structure as a convenient Roberts said. means of meeting this requirethese proposals.

The approval, after several

further drilling in the block. It

conditions to load on to a barge

a new £2.5m production plat-form for the Leman gas field

in the southern sector of the

North Ses. The 1.100 tonnes platform—designated Leman E

begio drilling an appraisal

Mr John Roberts, ficancial director of TSW, was rejuctant to give details of the arrangebefore the group's planned flotation on the Stock Exchange later this month. The basic provisions are that all shares will carry votes and the IBA will want to approve any transfers of more than 5 per cent of the shares.

"We have managed by a lot of hard sweat and negotiation effective control of a contractor to meet the transferability cannot take place without its requirements of the Stock Exchange and the ownership requirements of the IBA." Mr

Before tha TSW move there ment and the IBA has accepted had been variations on the usual split-share style. Both classes of shares of Graoada, months of negotiations, of a for example, carry votes but the

ls understood the group hopes ricsted by Redpath de Groot ciated Gas System (Flags)

well lster this year.

The British National Oil Corporation has a 51 per cent interest in the well, drilled by the semi-submersible rig Western Pacesetter II. Houston Oil and Minerals (a Tenneco sub-

sidiary), Canadian Pacific Oil is expected to sign a gas pur-and Gas (part of Pancanadian chasing sgreement with three have still to be overcome, how-Petroleum), and Ultramar each oil and gas producing groups ever. For instance, the new

have 16.33 per cent. within the next few weeks. The pipeline will have to cross a gas will be supplied from three number of existing lines.

ls waiting for better weather northerly fields in the North The Flags network is due to conditions to load on to a barge Sea — British Petroleum's be commissioned within the

and Minerals (a Tenneco sub- The British Gas Corporation, Flags network

Thistle Field.

Ultramar consortium makes N. Sea oil find

THE Independent Broadcasting equity capital and nearly half of Westward, shows the IBA is also board has no power to restrict

Central Television, which has taken over the Midlands contract from ATV Network, probahly has the most bizarre structure. Most board members have no significant holdings of either voting or non-voting shares, while ACC, which bolds 51 per cent, has nominated only six of the 14 directors.

When questioned about ACC's share structure at the group's annual general meeting last September, Lord Grade sald it was part of the group's contractual arrangement with the IBA that any transfers of voting shares had to be sproved by the suttority. He produced a letter from the IBA backing him

interest only in transfers that could lead to a change in effective control. The fact that it has ment to Mr Jack Gill, the former single-class, share structure for widely-held A shares carry only in the power of block such changes the power of block such

techoical problems

The Flags network is due to

stream in the autumn of 1983,

The steel structure was fab- Far North Liquids and Asso-

Csledonian at its Methil, Scot. Which links other northerly

Magnus discovery. Conoco's next three to six months. The

Murchison Field and the British link with the three northerly

Nstional Oil Corporation's fields is expected to be on

The operators of the three providing all the producing

# rules out hopes of saving smelter

**British Aluminium** 

Invergordon aluminium smelter including 2,700 other joba in in the Highlands appeared to fade last night after talks between Mr Alex Fletcher, the Scottish Industry Minister, and Mr Ronnie Utiger, chairman of British Aluminlum.

The two agreed in London that "no basis exists for pro- over. viding power to the Invergordon smelter at a price which millions of pounds to bring continued operations for British Alu-

A sit-in continued at the Highlands smelter yesterday despite the fact that the aluminium metal has solidified io the production pots since the closure last week. The elec-tricity supplies on which the electrolysis process depends have been switched off.

Mr Fletcher said the meeting had been called to have a fresh look at the previous negotia-tions to ensure nothing hadbeen mised which could save the plant. It had not been called to look for solutions.

British Aluminium said the power contract for the supply

LAST HOPES of saving the whole British Aluminium group

Scotland. British Aluminium said would keep the Invergordon plant in what it called "operating condition" for six months while efforts were made to find a company willing to take it

A buyer would bave to spend the pots back to working condition by digging out the solidified metrl.

But the major obstscle to a re-opening of the works would be the price of electricity from the national grid for the smelting process.

aluminium industry thinks that if British Alu-minium is unable to accure a power contract at prices which enable the smeller to make profits, no other company is likely to secure a more favourable deal from the electricity

authorities.
The first redundancy notices to the 700 men and 200 women who work at Invergordon will be issued on Ssturday. The plant lost £12m last year

of electricity to the smelter had heen terminated "because its cootioued operation was threatening the existence of the

# Bank staff changes show greater industrial emphasis BY DAYID MARSH

A SERIES of senior management changes at the Bank of

Two executive directors in their early 40s—both with a reputation for pragmatism have been appointed to replace two directors who are retiring.

department is being appointed as one of the Bank's four executive directors to replace Mr finance with responsibility for monetary policy. Mr Fforde— who recently labelled mone-tarism a "theology" — will remain associated with the Bank Mr David Walker, 41, who

Mr Walker has been particu

larly connected with the Bank's efforts to secure commercial bank rescue packages for companies hit by the recession like Laker and Massey Ferguson. He will caintain this responsibility underlining the growing import-ance of the Bank's links with industry.

Mr Walker will also assume

Mr Page's responsibilities for banking supervision will be taken over by another executive director, Mr George Blunden, in addition to his operational and personnel duties.

changes take affect from Men and Matters, Page 14

# -will be used to maintain gas fields have already signed an companies can agree price and output from the mature Leman agreement with Shell and Esso throughput terms with British to send the gas through the Gas. indicated Its optimism by output from the mature Leman supouncing that it was planning field. Business failures last year 20% above 1980 level

BY JOHN MOORE

according to

BUSINESS FAILURES reached liquidations. their highest levels last year as the total company llquidations in England and Wales rose to 8,227. This was a 20 per cent increase on 1980 and 81 per cent higher than 1979.

Figures prepared by Dun and Bradstreet, the husiness in-formation company, show that retall services, building and construction, textiles and engineering were the worst hit with London, the North West. the Home Countles and the NOLLU for the Welsb fourth tele- more than 72 per cent of total petitioning for hankruptcy were accounted for 37 per cent of all est increase.

Creditors' voluntary liquidations reached 5.448, 45 per cent higher than 1980. Compulsory winding-up orders, affected by the civil servants' industrial action, increased sharply in the last quarter of 1981, indicaling that the time lag caused by the dispute is coming to an end.

than 1980. Bankruptcies among individuals, companies and partnerships, at 4,976 is the highest elsewhere in the country. Lonsince 1976, when the costs of don and the Home Counties construction showed the small-

Total compulsory liquidations were 2,779—9 per cent fewer

significantly increased, resulting bankruptcies among individuals, in fewer claims. Despite the upward trend in pects to see a slowing down of the rate this year.

A detailed breakdown shows

company failures last year than any other region, with 3,090 (37.6 per cent) of the total. account the failures of busi-London but registered offices

companies and parinerships. Trade Indemnity, the credit failures, Dun and Bradstreet ex-pects to see a slowing down of a sharp rise in business failures. According to its experience, A detailed breakdown shows business failures last year were that London accounted for more up 16 per cent on 1980. An Increase was recorded in all trade sectors.

The worst hit were retail and This figure does not take into wholesale distribution, which showed a 27 per ceni increase. nesses with registered offices in Failures in furniture and upconstruction showed the small- trial finance, will take over the-

### Mr John Page. Mr Page is join-ing the Agricultural Mortgage Corporation.

England announced yesterday show increased emphasis on the twin problems of helping industry through the recession and supervising banks,

Mr Eddie George, 43, ln charge of the Bank's gilt-edged

John Fforde in charge of bome as an adviser to the governor. joined the economic department of the Bank from the Treasury holstery were above average at in 1977 and has developed par-

directorate job being vacated by

responsibility for supervision of the financial sector related to the securities and commodities

Mr Brian Quinn, who bas been in charge of information, is appointed to a new job assisting Mr Peter Cooke, head of banking supervision.

# Steel unveils £9bn scheme SDP and Liberals to restart talks on Commons seats to reduce unemployment

A £9BN proposal to create outlay will be £9bn spread over more than im jobs within three three years
years was inveiled yesterday The proposals include: leader, said the measures cities.
represented, a bargain price
to pay for revitalising our
conser

The proposals mainly involve An extra £2bn on major to improve the infrastructure of regions, such as the Severn subsidies for the long term un- or bridge. employed.

press conference yesterday the communications. programme could not be £500m for new roads and rail achieved without an Alliance electrification. government which could bridge 6 £250m for investment in

The Liberals insist that the training in schools.

proposals are not inflationary. • £375m for voluntary com-They estimate that the gross munity works schemes.

• An extra £500m oo new Mr David Steel, the Liberal housing, especially in Inner

> • £250m for domestic energy conservation.

extra public sector investment investment programmes in the the economy, as wall as harrage and the Channel tunnel An additional £500m for

Mr Steel said at a London investment in British Tele-

the two sides of industry. water sod sewage.

The detailed acheme will be A further £1bn in employon the agenda of the SDP- ment subsidies for those un-Liberat commission which is employed for more than six

discussing the Alliaoce's em-nlowment policies. months. £250m for new technology

BY PETER RIDDELL, POLITICAL EDITOR THE SOCIAL DEMOCRATS nable seats. and Liberals have agreed to resume negotiations suspended last weekend about the allocation of parliamentary constituencies.

negotiations will restart in about half the seats in England where talks were already under way or dates have been fixed for meetings. But now new negotiations will start until a meeting of the joint national negotiating committee on January 6 reviews

The meeting vesterday of the eight mmebers negotiating teams from either side attempted to defuse the clash between SDP and Liberal members which huilt up in

After the meeting Mr Bill Rodgers of the SDP said both parties were committed to "a rough parity in the next House of Commons." This represents a significant addition to the existing criteria of the national

guidelines agreed last October

which referred mainly to a rough parity on types of seats The additional criterion is the worries about a possible disparity of MPs between the parties after the next election. It does, however, leave open the tricky and still unresolved question of deciding which

seats are winnable. some places before Christmas new spirit would permeate separate constituencies, often 20 should be left on one side chester; Merseyside; Sussex; over who should fight the win- negotiations on behalf of hoth or more. To give both parties separate from the national talks. and Somerset and Dorset.

parties. He argued that the a chance of a fair spread of meeting had identified some seats within any one area. shortcomiogs in the machinery and there would be "a joint fire brigade to deal immediately with any problems that arise. This will involve Mr John Horam for the SDP and Mr David Penbaligon for the

The caution is reflected in the future negotiations. decision to allow talks to go The "new mood" spoken ahead only in areas where they about hy both sides yesterday are already under way. Agreement has been reached in Nottinghamshire and talks are in with dates fixed in five more. groups in England where hargaining has been held up. Mr Rodgers said be hoped a These groups cover many

The hope is still that talks can be completed by the end of March though this deadline looks unlikely.

Mr Rodgers said both sides find a solution. would use "their best endeavours" to ensure that local parties fully understood and acted upon the guidelines io

can only be tested at local level in the next few weeks. Mr Steel said he would not he putting progress in nine other areas pressure on anybody though he and Berkshire, Buckinghamwas sure his local parties would shire and Oxfordshire. The This leaves 16 negotiating honour the spirit as well as tha areas where dates have been lctier of the talks.

There is broad agreement

At Greenock local Liberals are breaching the national guidelines by challenging Dr Dickson Mabon, the sitting SDP MP. But this is recognised as a special case where it will be hard to The nine areas where talks

have already started include Derbyshire (where there have been problems which abould now be resolved); Kent; Cumbria and North Lancashire; Essex; Surrey; the south west of the Greater London area; Devon and Cornwall Bedfordshire, Cambridgeshire and Hertfordshire; fixed for negotiations are North Yorkshire and Humberside: the that the controversy at Greenock northern part of Greater Man-

he would be reneging on a deal if he stood again.

he held next month. The GLC has aet aside £6.500 fnr its nrganisation. Mr Ken Livingstone, Labour leader of the GLC, said he hoped GLC members of all political parties would attend.

Factories for Wales

Agency yesterday announced advance factory lettings to 16 companies in North and South Wales, promising about 500 new jobs over the next three years.

at Stowmarker yesterday said 82 manual workers and 13 nffice staff will lose their jobs next month because sales are expected to fall. The workforce will be reduced to just

Racal warning

tributors and users of any non-Decca receivers designed to be used with its Decca Navigation system. Racal said it intended to prevent infringement of its legal rights in a system which cost millions of pounds a year to operate.

# Labour's warring factions reach fragile truce

# A Vision for the Blind How do you manage your own life when you cannot see,

when other handicaps have played havoc with your education



June is partially sighted and had polin and TB as a child resulting in additional physical handicap. She is learning the deat/bind manual to enable her to help her blind and deat sister who has recently joined the Royal School.

The Royal School is about learning to be independent and to be responsible; discovering what is possible for each individual. We are looking forward to a future for 150 blind adults with additional handicaps. They have come to the Royal School for the Blind because no other place offers such residential care and training and the men and women (like June in our photo) are being given the opportunity to make a tomorrow of their own choice. In gratitude for your sight this Christmas please send a donation or write for further particulars to: Sir Ronald Wates JP., DL., Chairman, The Royal School for the Blind, Leatherhead, Surrey KT22 8NR Telephone: Leatherhead 75464.

Royal School for the Blind 🌘

President His Grace the Archbishop of Canterbury Registered Charity No: 255913

conclusion of the Bishops Stortnett smiled at least twice, Mr Denis Healey did not insult Mr Tony Benn on television and Benn himself fondly squeezed the arm of Mr Tom Breakall, president of the right-

EUPHORIA aurrounded the

wing electricians' union, To complete the picture, Mr Benn told an open-jawed Press that disagreements between himself and that sterlone in the Labour movement. were all the work of the media.

The change from the image of a party riven by personal animosity and policy disagreements has been too sudden, however, to be taken wholly on its face value. Participants in wbat Mr Michael Foot called an historic conference, as much as everyone else, are asking: will thet Treaty of Bisbops Stortford

The will to make it do so certainly exists, and is present in a wider area of the Labour movement than before. The leaders of the left on the party's executive and the leadera of all the main nulons, with their lieutenants, are committed to a truce and to persuading others to observe it. But this treaty or truce is unwritten, and capable of differing much on what be said in public

interpretations.

In outline, it says that the left assumption that he will not risk who used to support bim is discutify for anyone nutsida any further constitutional again and getting less support Westminster to imagine. But in ford conference on the Labour any further constitutional Party, called by Trade Unions changes and the right will not for Labour Victory, yesterday. try to have those now adopted,
Mr Clive Jenkins talked only such as reselection of MPs, try to have those now adopted, in superlatives; Mr David Bas- reversed. There can still he dis-

The issue of expulsions. All agree that the inquiry into the Militant Tendency should proceed, but do not agree on what

Mr. Benn went to Bishops Stortford knowing he would not stand sgain. Before Christmas agreements on policy issues, but he told a delegation of left-wing divisions bave emerged over all agree that present policies unions leaders he would not be tactics. Some of the activists should be supported.

unions leaders he would not be tactics. Some of the activists a candidate for deputy leader most closely involved in last in the coming year.

their aupport, even if he had mistake,

that he did last year.

the constituencies, his support aetill remains strong. Even in his traditional power

base among party activists, year's campaign think another He had little choice. They contest along similar bighly told him he would not have publicised lines would be a

should arise from it. On the had it last year. He reserved But Mr Benn'a bandwagon

Elinor Goodman and John Lloyd discuss the euphoria at the end of ing body, indeed between any yesterday's conference and consider the strength of the unwritten peace agreement which was reached.

> left some argue that it should the right to release himself has gained a momentum of its be "controlled" if the evidence from the pledge should the own, and could atill be pushed and says no other course bas been agreed.

The most important part of this pact is the helief that there is no way in which Mr. Benn can run again for the deputy leadership this year. Most sections of the party dread nothing more than another deputy leadership contest — however much execulive members, like Dame Judith Hart and Mr Benn himself aay they want to get away from personality politics.

The belief that Mr Benn will

although it was never issued.

become steadily more isolated as he has repeatedly turned down Mr. Foot's peace offers, His guaranteed support is reduced to not much more than 25 MPs, and many of the Tribunite MPs who voted for him last year bave made it clear they would not do so

not atand again is not based so again.

comes down against the group. right continue their attacks and out on to the road again. While The right still wants it expelled, had prepared a statement for many of the original members Bishopa Stortford to that effect of the Campaign for Labour Party Democracy, the organisa-The ultimatum from the trade tion which has steered through unionists followed similar warn- most of the far left's constituings from the parliamentary tional gaina, are against Labour party. Over the past another highly publicised camfour months, Mr. Benn has naign this year, the Trotskyist Socialist Organiser seems deter-

off last year. Others believe that the threat of another deputy leadership contest is their one remaining powerful weapon. Yesterday some of Mr Benn's closest advisers were concerned that The loathing with which Mr card by allowing himself to get as what be did not say, with an Benn is regarded by some MPs boxed into a situation where

mined to carry on where it left

Their only consolation was that nobody at Bishops Stort-ford actually heard Mr Benn definitely that he would not stand. But is was not nuly tha far

left which suspected a "aell out" yesterday. Some right wingers were worried that the "truce' would tie the moderates' hands, and prevent them achieving the changes - particularly among local parties - which they believe are fundamental to the party's hopes of winning the next election. Ona particular fear was that the left would insist the deal

meant no expulsions, and that this would undermine effectiveness of the loquiry into the Militant Tendency which the moderates finally got through the national executive committee last month.

Another worry was that the truce would encourage Mr Foot to follow his normal peace-lowing instincts and hold back from any further moves against the far left.

An early test of what the truce will mean will come oo Monday, when the party's organisation committee will have to decide whether to endorse the selection of two more far left candidates - Mr Pat Wall, a member of the Militant Tendency, who has been selected to fight Bradford North, and Mr Bob Clay in Sunderland North.

# De Lorean saloon 'not affected' by issue delay

By John Griffiths DE LOREAN'S 580m development programme for a saloon car, regarded as vital to the state-funded Belfast company's future, has not been jeopardised by the further posiponement of its \$12m

(£6.2m) share issue in the U.S., the company said yester-The issue was nriginally planned in raise \$28m - most to he used un the saloon when announced last summer.

It has been postponed twice. The first postuonement was blamed by Mr John De Lorean, De Lorean's chairman, on allegations of financial irregularities of which the company was later cleared. He said any lengthy delay would

adversely affect the project. De Lorean is anxious to end its dependence on the stain-less steel hodied sports car being built in Belfast at the rate of 400 a week. But the company said ves-

terday the revenue being generated from sales had made the offer less important. "We wilt look at it on a month by munth basis to decide a good time to go. But we are now making money and the saloon is being kept right on schedule."

### Third quarter rise jn 10-ro business

FREIGHT TRAFFIC from Britain to the Continent on roll nn roll of ferries rose by 4 per cent in the third quarter. confirming ferry companies' indications that business has been recovering recently. Second quarter business was up 6 per cent.

The Department of Transport said 157,000 goods vehicles were carried during the period, a rise of over 16 per cent on the same quarter of 1980.

The department said there was also a marked rise in the number of vehicles using North Sea ports. These account for more than 70 per cent of all trailers leaving for the Continent and for 21 per cent of the powered vehicles.

# Textiles recovery

"iconardised by MFA" RECOVERY PROPECTS for the cotton and man-made fibre industry are in "serious jeopardy" because of the new Multi-Fibre Arrangement, the British Textile Employers Association sald

yesterday. The criteria for import aneta levels cou jobs, or 5 per cent of the workforce. the association said. The benefits of Improved home demand would almost certainly be reaped by low-cost producers.

The MFA protocol forms a framework for 80 per cent of world trade in textiles. The reaction of the UK industry is one of "bitter disappoint-ment." said Mr James Leach, the association's president.

### National debate on decline of rural life THE COUNTRYSIDE Com mission plans a national dehate on the decline in rural iife and landscapes in the

unlands of England and Wales. The Commission plans to a discussion paper issne partly based nn a study by the University of Edinburgh.

The study recommends a national interdepartmental committee to advise government departments agencies, and munitor policies

### GLC calls London financial conference

and their impact.

A CONFERENCE at which 2,000 delegates will discuss London'a severe financial problems has been called by the Greater London Council and a group of non-partisan nrganisations with an interest

in the capital. The London assembly will

# THE WELSH Development

Suffolk jobs go SUFFOLK LAWNMOWERS

RACAL warned that it would take legal action against dis-

course particular and particular and

The Trans

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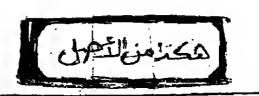
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# Tameside project to encourage job creation by small businesses

encourage employment mainly among small businesses was ennounced yesterday by Tameside, on Ashton-mides Lyne, Lanes, councils to attract employment and covering time small towns, and the amount of cash these

The package includes the formation of a Venture Trust for advising small companies, a directory of companies which will be distributed nationally. cash grants and a training scheme for 16 to 19-year-olds. It follows a survey in the borough on the effects of the re-

Tameside officials said the analysis showed that a quarter of all employers in the area had disappeared in the past twn

Greater Manchester Council, whose area includes Tameside. has operated its own grant-aid scheme it says this has helped to create more than 1,300 jobs and to preserve about 900 others in co-operation with dis-

ONE OF the broadest packages help among local authorities to encourage companies to buy offered by a local authority to Some industrialists and a name products made in the herough encourage employment mainly ber of Confederation of British The initial campaign and the Industry officials, however, criticise the multiplicity of competing agencies set up by local

> are consuming. is similar to the initiative announced on Merseyside this ployed.

ary, called Operation Jobline, four years against the interest to explain to focal businesses on the cost of capital.

the levels of assistance open to them and the provision of a product promotion consultancy.

The Venture Trust will be headed by a business management specialist from the private Large companies are providing tax accounting and technical advices. About 6,000 employers will receive letters, drawn up jointly by the coun-cil and Job Centres, encourag-

Tameside's initiative is a sign vices in the area. It will be cater for about 1,000 unemof the mood of economic self-marketes locally and nationally, ployed.

products made in the herough. The initial campaign and the firms directory have a £10,000 the engineering, aviation and oil field services group, has set up Shidaddle Leisure Products

On top of this, new companies councils to attract employment setting up in Tameside will be eligible for a £1,000 grant in their first year to offset rent At least one element of the and rates. A similar amount Tameside scheme, for example, will be available in the sacond year if more people are em-

reek. Existing companies undertak-The programme announced ing specific industrial developyesterday initially involves a ments could qualify for a grant four-week campaign in Febru- of 3 per cent a year for up to of 3 per cent a year for up to

The Youth Enterprise scheme will offer 15-month programmes of work experience and day re-

lease study.

The council said yesterday the initial four-week campaign ing them to participate. the initial four-week campaign A directory of Tamesida could create about 400 persmall businesses is being promanent jobs. The Youth En-

# Finding a leisurely way to beat recession

Raymond Snoddy on a group which is profiting from pleasure specialised in glass reinforced plastic products such as clad-



Mr Chandler's fears about the GRP is very difficult," asid Mr A two-year diversingular market proved correct. Chandler, 54, who began as an drive to develop ideas and market proved correct. Chandler, 54, who began as an drive to develop ideas and the market proved correct chandler, 54, who began as an drive to develop ideas and the market designs has cost more than the cost of the included taking Hnnting Industrial Plastics, which has a turpover of £1.3m. has lost about 30 jobs in the cabs made of GRP and re- past two years as a result of natural wastage and now em-

before moving into manage-

He decided that leisure was the answer, and that GRP and ploys about 60.

associated products were perFinding new products for fect for boat bulls.

£250,000. It included taking over a local company, Field-house Engineering, which kart engines. Tha original owners Mr

Geoff, have stayed on to adapt and develop their engines for the sea and the sky.

Skidaddle has high bopes for its aquajet, a fast, manoeuvrable two-sear speedboat powered by

a jet engine. Rights to the jet surfboard were bought from Halliday o Daventry, Northamptonshire and the existing propeller

system replaced by a water cooled jet engine. One of the problems which Skidaddle faced was the lack of suitable cheap engines in Britain. So the company developed its own, and claims that the water-cooled two-stroke 45 horsepower engine is about

fifth of the cost of anything else

It recently won the first order for 50 air-cooled microlight aircraft engines.

Although the company will continue to make its traditional products, and do sub-contract work in the engine factory, Mr. Chandler is now thinking more of export markets in Europa and the U.S. for his Skidaddie leisure craft. He hopes the 30 lost jobs can be replaced.

"Production could treble within two years. I think we have been through a very sticky patch now in leisure, but its inevitable that it will coma

# Equal opportunities challenge

EMPLOYERS were urged yes mission for Racial Equality, out by senior management reprechanges in the law to force ment not just to formulate and

County Council conference on equal opportunities: "If we are force and trade union support to make progress, only the ems secured. ployer has the power to make things happen.

frighten zway customers.

inighten away customers. is going on and in this case AH my working life in in this means knowing the comare not enough people to fill. He said the was against pos-all the lobs where talent is tive discrimination. A lead had needed. It is creaty for a com- to be given and people per-pany not to extend its catch, suaded to follow it. Appoint-

terday to introduce their own Hined a practical plan through sentatives of 30 prominent compolicies on equal opportunities which companies could take the panies in the private sector, 19 for blacks, whites, men and initiative organisations from the public women and not wait for This required senior manages sector and 31 people from

them to do so.

Mr Bob Ramsey, president of was determined to implement the Institute of Personnel it. Management at all levels Management, told a Merseyside had to be involved. The policy had to be issued to the work-

The composition of the workforce then had to be monitored "It is sound business to em to conure the policy worked bark on an equal opportunities Mr Ramsey said. This is programme. If people from regarded as controversal but I minority communities are left can't understand why. Any at the bottom of the heap there management, worth its sait has got to be a potential for should monitor every policy it disorder that will ultimately has. You have to know what

ment area to take in all sources, ment and promotion had to be of ability whether they be on merit alone. If people black, white, men or women," thought, there was discommon Mr. Ramsey, farmer, industrial relations director of Ford, policies, unworkable.

UK and a member of the Com- The conference was attended

sector and 31 people from trades unions and community

They were given six points practical advice by Mr Ramsey on how to run equal opportunities policies:

Fight ignorance among minority groups who were generally not part of a com-pany's informal grapevine and had to be told directly what

 Introduce impartial systems for selection and promotion;
• Introduce literacy and numeracy courses for first generation immigrants with identified potential who needed

such training; • Ensure managerial understanding of different types of religious observance; Set up permanent liaison with the local community relations council and significant ethnic minority associations;

• Audit the policy, regularly checking that things like train-

# Thousands face surcharge on

winter holidays THOUSANDS OF package deal holidaymakers are paywinter breaks because aircraft fuel has risen in price and the value of sterling has fallen since prices were fixed last March.

. Most package companies have woold customers with a guaranteed top-limit sur-charge and, overall, surcharges are lower than in previous

Austria and Switzerland are among the higher surcharge countries. An advertised £285 holiday for two weeks in Austria now costs £309 with Holidays cheaper in countries like Spain and Greece, where the fall in sterling has been less

A typical total surcharge on a week in Spain is obout £7, of which only £1 makes up the

currency element. One operator said: "This is the only real way of reconciling the fluctuations if we have to try to produce reason able price projections a year in advance."

Example currency charges are: 2.7 per cent for Cyprus, 1.6 per cent for Spain and 1.3 per cent for Greece. For Austria one top combut Switzerland carries a 13.3 per cent surcharge because of the strength of the Swiss

In spite of everything, however, winter heliday business has held up better than expected. Sunshine breaks are down by about 3 per cent on last winter, but there has been a massive boost for skiing holidays.

Welsh expansion THE POPULATION of Wales

will rise from its present level of nearly 2.8m to more than 3m by the first decade of the next century, according to the latest Welsh Social Trends published yesterday by the Stationery Office.

Other statistics show Wales to have above UK average absentecism, heavy drinking car ownership, and jeb satisfaction but a below average crime rate.

Steel worker grants

GRANTS of more than \$28m to belp workers in the British steel industry affected by plant closures and modernisation have been announced by the European Commission. The grants will fund early retirement, retraining and income support schemes.

These allocations affect 13.607 workers at plants incinding Scuntherpe, Shotton,

Ebbw Vale, Trestre and Velindre and the Round Oak Steel works at Brierley Hill.

# Building societies may enter funds transfer market

BY WILLIAM HALL BANKING CORRESPONDENT

societies are expected to Office of Fair Trading meanbecome more heavily involved in providing money transmission services in the next decade as new technology reduces the dominance of the clearing banks in this sphere.

ding, lorry cabs, and nrinals has found that a move into the leisure market is set to pay

Hunting Industrial Plastics,

diversify into speedbosts,

motorised surfboards, hover-

craft and engines for micro-

light aircraft, the powered equivalent of bang gliders.

ing director of Hunting Indust-

rial Plastics and chairman of

Skidaddle, said demonstrations

in the south of France last

summer aroused great interest

and the range was going to be

Already 150 craft have been

built at the main plant on an old bomber base, Wymeswold

Aerodrome, near Loughborough,

Leicestershire. Even before the recession

struck, Mr Chandler suspected

his company might be facing difficulties. Although subsid-

iaries in the Gulf were doing

well, the UK market for glass

reinforced plastic (GRP) seemed

straints on council spending

were affecting the market for

launched this season.

about to decline.

Mr Brian Chandler, manag-

part of the Hunting organisation

socieites are already experiment- They distribute the bulk of the ing with plastic-card based automated teller machines (ATMs). which are, in many respects, similar to the banks' growing cheques, and control t network of cash dispensers. A credit card companies.

BRITAIN'S 250-odd building report being prepared by the while, is believed to argue that the societies should be allowed to participate in any electronic funds transfer system invoiving retailers.

Traditionally, the clearing this sphere.

A number of building transmission services in the UK. nation's cash, which accounts for 95 per cent of all transactions. process the vast majority of cheques, and control the major

or payments system, based on terminals at retail outlets. This in the next three months. Tha could open the way for new entrants in particular the building societies. The Office of Fair Trading transfer. and a number of other hodies The Committee of London including the Government's Clearing Bankers, which is

into this side of the business

has been so large, that prospec-

ave newcomers have been kept see more competition. These sentiments are likely out. But the clearing banks have recently announced plans for a to be contained in a report by new money transmission service, an Office of Fair Trading working party due to be published

the banks and are anxious to

report covers three main areas: the bar-coding of goods, viewdata; and electronic funds The Committee of London

Central Policy Review Staff, are represented on the study group, own.

Until now the cost of entry believed to feel such develop- is most interested in the last ments should not be confined to area and is anxious to minimiaa any conflict with its own " point of sale terminals policy" committee established in November The clearing banks are conscious that expansion into point of sale transactions at retail out lets is currently the most im money transmission field. But they are also aware that it could increase competition signi ficantly in an area they have traditionally regarded as their

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# Miners face hard choice over strike

LESS THAN six weeks after looking for a convincing demon- obstacles to securing the big the miners' loyalty, the selftion s national strike for higher

The pay ballot in a week's time could prove a severe test for many miners. It is a choice between loyally supporting their lesdership's request for a strike mandate or giving in to astural apprehensions about the cost of what could be o long, hard struggle with sn adsmant

At a time when many workers are getting restive-on the railways, in steel, motor monufocturing and water supply-next week's vote will provide the Government with an importsnt clue about the real depth of its unpopularity with indus-trial wage-earners.

It will also, say some union activista, determine whether he mioeworkers will continue as a credible bulwark against what the movement sees as a Thatcherite campaign to depress living standards, create old guard believe the men will insecurity of employment and organisation union

through the law. The ballot's object as defined by an overwhelming majarity of the Mineworkers' 24-mon execu-. tive and a special conference af 139 costfield delegates, is to throw out a wage affer worth 8.6 per cent on basic rates and 9-10.5 per cent overall. miners' leaders

giving the militant Mr Arthur stration of sopport-fsr more vote the activists want: Scargill one of the biggest than the constitutional requirevictories in trade union elec- meot for a national strike which toral history, Britain's miners is a 55 per cent majority. Their are deciding whether to sanc campaign (and for once most ing in with the left) is based on pits duly this week. the premise that the blgger the vote the more; readily tha

First, the campaign launched by the dalegate conference before Christmas has been interrupted by the holldays: right wingers appear to he pitch- most miners returned to the

Second, although the future impact of the Chancellor's mini-National Coal Bosrd-or its Budget increases an rents, rates paymsster the Government— and ustional insurance seems will be moved. For the mode- to be understood, there are no

# EZRA MAKES APPEAL

A PERSONAL appeal from Sir Derek Ezra, chairman af the National Coal Board, to the miners is being distri-bated in the coalfields today ahead af their natinnal pay hallot next week.

In a special inset for the

NCB's paper Coal News, Sir rates, hawever, a 1 or 2 per cent signs yet of a general sense of improvement would probably grievance.

satisfy bonour. majority, some of the right-wing rehuff the union as they did in 1979 when s 20 per cent pay rise was accepted by just more than 51 per cent.

Yorkshire In the Durham caalfields this week miners' activities have also been laking a cautious view af the outcome, while warking against the clock to get the unions message through to the pits. There are a number of

Majority of Ford workers vote

try can afford—and a bit banking nn our ability to keep going ahead."

Derek - who retires this

35 years "fighting for coal."

the limit of what the indus-

He says the wages offer is a

"We have gone to

Third, the Coal Board's offer -although falling far sbort of leaders expect the necessary the annual rise in prices-is among the highest from any employer in this pay round. In addition, as the Board Is quick to point out, acceptance will mesn considerable lump sums in back pay next month —between £103 and £185

The miners are also conscious that coal stocks sre bigh, although the severe weather coupled with loss of production doring the break, will have left their mark.

Set against these factors are them.

confidence born of a partial victory over plt closures last February, and—so it is said s deepening hatred for Mrs. Thatcher and ber policies. Mr David Hopper, the young

branch secretary at a big Durham colliers said. "There's no doubt about it, it's going to be a difficult vote to win.' Mr Hopper works at West

mouth in Sunderland, e 2,400man pit with a militant reputation in a traditionally moderate but fasl-changing constituency of the union. Mr Hopper would like to see the miners buckle down for a

fight-a fight he says will lnevitably" heppen next year if it does not happen this.
"I believe that if the vote goes the wrong way, the Toriea will give the Coal Board permission to lash out with cutbacks and pit closures," he

anthusiasm doesn'

eem to be there. But there again, there is a bell of a lot of anti-Tory feeling. Everyone knows wha is pulling the Coal Board strings and there are people sitting in the house with their sons who cannot get jobs."
The mood in Darham has changed much since the 1972 national strike and Mr Hopper said today's young miners were better informed and more con-

If s strike happened and the pickets were sent out-regard-less of the new picketing Iswthere would be no bolding

Two largest

unions split

on 9% offer

water

# FT COMMERCIAL LAW REPORTS

# Extent of export restriction on Gafta goods

PANCOMMERCE SA V VEECHEEMA BV

Queen's Bench Division (Commercial Court ): Mr Justice Bingham: December 14 1981

WHERE A selier possesses market might run short. So, sufficient goods to perform shortly after the sellers had conhis contract with a buyer, tracted with Veecheems itand bas a government licence decided, without warning, to take export the unprecedented step of refus-ing all applications for foodstuff quantity, he cannot assert that the Government's refusal export licences submitted after to issue more licences re-July 1. The sellers were informed otricts him from exporting that there was no prospect of a those goods, when the reason licence being granted after that for his failure to deliver is that he bas allocated part of

the quantity to a person to whom he is under un contractual obligation. Mr Justice Bingham so beld when dismissing an appeal from an award of the Board of Appeal of the Grain and Feed Trade Association (Gafta) confirming an erbitrators' decision thet commerce SA, sellers, were in default under a contract with Veecheema BV, buyers of sugar eet pulp peliets.

Clause 22 of Gafta form 100 provides: "... In case of probibithe sellers were lisble to. Veecbeems for non-delivery. tion of export . . . or in case of or on behalf of the Government of the country of origin where the ports of shipment . . are situate, restricting export, whether partially or atherwise, any such restriction aball be deemed by both parties to apply to this contract and to the extent of such total or partial restric-tion . . . this contract or any unfulfilled portion thereof shall be cancelled." HIS LORDSHIP said that tha

sellers sold 1,500 metric tons of Spanish sugar beet pallets to a Dutch company called Lucerna BV, to be shipped in Juns or early Joly 1976. When making the contract, they informed Lucerna that if they obtained more pellets later in the year, Lucerna could have "first refusal" up to 1,500 tons.

Pursuant to those arrangements the sellers obtained a licence from the Spanish Government for the export of 3,000 tons of pellets.
The export of sugar beet pulp

pellets bad been prohibited by Spanish lsw since 1970, unless a licence was obtained from the Ministry of Commerce. Such licences were obtainable as a matter af course, and did not on their face refer to a particular transaction ar named person. On June 29, seven days after sellers entered into a written contract with Veecheems for the sale of 1,500 tn 2,000 metric tons of pellets. The contract incor-porated the terms and conditions of Gafta form 100. In the summer of 1976 there

was a high demand for Spanish sugar beet and the Government

The sellers, being licensed only for the export of 3,000 tons, 1.500 of which had been sold to Lucerna, felt they bad a moral commitment to deliver pellets to Lucerna, under the "first refusal" arrangement, as well as a legal commitment to deliver. 1.500 tons to Veecheema. They resolved their dilemman by dslivering 774 tous to Lucerna, and 664 tons to Veecheema. They failed, therefore, to deliver tha full contractual quantity to Veecheema. The question now before the court was wbether

Mr Longmore, for the aellers, submitted that under claose 22 of Gafta 100, where a licensing system was in force at the time a contract was made and the government of the country of origin subsequently restricted exports of goods of the con-tractual description, the contract was cancelled whether or not the seller already had a liceoce to export the cootractual quantity. The sellers' conduct was there-fore irrelevant, and even if it were not, their only obligation was to act reasonably and they bad acted reasonably in dividing

Mr Merriman, far Veecheema, said that if the Spanish action fell within clause 22 at all, it was deemed to apply only "to the extent of such total or partial restriction," and since the extent of the partial restriction could nat be identified in the present case, the clause was inoperable. On the issue as to how clsuse 22 was to be construed and applied there was radical divergence between the parties. Each slde told his Lordship that a decision in fsvour af the other would he greeted with incredolity

by the trade. The decision of the Spanish authorities was not a "prohibition of export" under clause 22. Exports could, and did, continue; but it was impossible to canclude that there was not an "executive act . . . restricting export." The withholding of licences pursusnt to government Instructions was an executive act, the object and result of which were to restrict exports. It was a partial restriction, the line being drawn is in spite of the claims of between supplies which were Daring Run's recent Punches-

shipment . . are situate." Mr act. Merriman'a submission that the clause was wholly inapplicable must therefore be rejected.

However, it was only "to the extent of" the restriction that fulfilment of the contract was deemed to be prevented, and only to that extent was the contract cancelled under clause 22. The restriction applied to any sugar heet export contract which was not already covered by a licence on July 1. The clause factual inquiry into whether the contract fell within the extent of the restriction (i.e. whether it was not covered by a licence). If it did, the contract was concelled wholly or in part; otherwiss not. That seemed to be the natural meaning and application of the clause.

At the date of the Spanish Gavernment's executive act, the sellers had a contract with Lucerna ta ship 1,500 metric tons of pellets, and a contract with Veecheems to ahip 1,500 to 2,000 metric tans. Although abtained with an eye to tha first refusal " arrangement with Lucerna, the licence was available to cover the minimum quantity of 1,500 tons required by Veecheema, os well as the contractual 1,500 tans required hy Lucerna. Both the orders could lawfully hs met. The con-

became worried that its domestic moreover, plainly an "set done tract, therefore, did not fall by or on behalf of the country within the extent of the restricof origin . . . where the ports of tion resulting from the executive The "first refusal" arrange

ment with Lucerna was noncontractual. It was never reduced to writing; no price or quantity, other than the maximum, was agreed; no period was agreed for shipment; and nothing was said as to the contract conditions. It was an informal understanding, not a binding agreement. There was therefore no call to pro-rute orders between the two recipients, and therefore required a very limited no issue could arise as to the reasonableness of the sellers' conduct in that connection. Even such an issue could arise, there was no authority for the proposition that where a seller's ability to perform was impeded by a governmental act, he might act reasonably if be allocated supplies amang customers to whom he was not contractually committed as well as those to

whom he was. The sellers could, and should bave shipped 1,500 metric tons to Veecheems, and they could rely on clause 22 of Gaffa not rely on clause 22 or carre 100 to excuse their failure to do

For the sellers: Andrew Long more (Middleton, Potts and Sa

Nicholas For Veecheems: Merriman (Durrant Piesse). By Rachel Davies

### RACING

BY DOMINIC WIGAN

MICK O'TOOLE, arguably Ireland's most astute bandler when it comes to preparing a jumper for s selected major handicap, will be bitterly disappointed if neither Passing Parade nor Bold Agent make the frame in tomorrow's Irish Sweeps Hurdle.

Since the Leopardstown event rst became a handicap in 1976, O'Toole has never failed to produce either the winner or a placed runner. A year ago. Carrig Willy was reported to have landed a £50,000 . offcourse" gamble for his stable which only two years earlier had produced another heavily

supported winner In Chinrullah. This time O'Toole seems to be pinning his main hopes on the nexperienced Bold Agent. This between supplies which were Daring Run's recent Punches-alresdy licensed on July 1, and town conqueror, Passing Parade those which were not. That was, on whom Niall Madden re-

sumes, following a minor in

Bold Agent's claims are hard to ignore. A fast improving sixyear-old who has won his last two races. Tommy Carmedy's mount was probably the easiest winner seen at Fairybouse last

Allowed to saunter into the lesd after jumping the penaltimate flight in sn 18-runner event, he won with the ease associated with Shergar at Epsom He is available at eight to one. The two other Sweeps Hurdle

candidates who appeal are For Auction and Ekbalco.

For Auction, a nine-to-one chance will be ridden by Colin Magnierd now that Jonjo O'Neill bas had to turn him down, while Ekbalco will again be ridden by David Goulding. Leading Sweeps Hurdle prices are: 7-2 Daring Run, 7-1 Ekbalco, 8-1 Bold Agent, 9-1 For Auction and Passing Par-ade, 10-1 Fane Ranger and Potato Merchant, 11-1 Pearl-

LONDON

9.30 am Schools Programmes. 11.00 Hewitt's Just Different.

# to accept 7.4% pay package BY IVO DAWNAY, LABOUR STAFF FORD UNION leaders yesterday falled to produce a clear result. Halewood assembly and body won s clear majority in favour while the 5.500-strong body shop plants and 1.660 men at the of their recommendation to came out against the offer. agree to the company's 7.4 per The final tally indicates that

agree to the company's 7.4 per cent pay and conditions package following acceptance votes by night shifts at the Dagenham body and engine shaps and at tha Langley truck plant. But there were rowdy scenes

at Dagenham's assembly plant early yesterday morning after shop stewards declared a vote by 2,300 night-shift workers to be indecisive. One steward suf-fered a neck injury after an object was thrown at the platform and several glass panes were broken when angry workers lobbied the coovenors'

A split vote was also recorded at Halewood's traosmission shop clency programme.

BY BRIAN GROOM, LABOUR STAFF

outcome of the 21 separate regions,

ment for drivers in the private

regional negotiations-14 in

bire-and-reward sectar.

Talks to be

- re-opened by

shipyard unions

SHIPBUILDING UNIONS

are to resume national-level

negotiations with British Shipbnilders and will draft a

pay claim for 70,000 ship-

The decision yesterday by the Confederation of Ship-

building and Engineering

Unians ta reopen talks with

British Shipbuilders follows

purchase of BS's Robb Cale-

don shipyard, Dundee, by a

neighbouring company and

the the pramise of jabs ta

workers who bad occupied the

concern over a deterioration

in industrial relations be-

Hospitals threat

would almost certainly be cut if Health Service pay

rises exceeded 4 per cent, Mr

Bill Darling, National Asso-

ciation of Health Authorities

patients

tween the two sides.

SERVICES TO

The unions will raise their

yard workers this munth.

16 plants, accounting for a total opposing it.

The official announcement of ing of the Ford unlons' 56-

after several shows of hands About 10,000 workers et the out industrial action

Regional lorry drivers back 7%

LORRY DRIVERS in the East low And South Wales may well attituda as "irresponsible."

Midlands have accepted a 7 per be the first," said Mr Geoff The East Midlands deal cent pay offer from local members of the Road Haulsge Association (RHA)—the first settle
Union.

attituda as "irresponsible."

The East Midlands deal increases the rate for the highest class of drivers by £5.60 a week to £85.60 for 40 hours,

higher than others in percent-Some bauliers believe a age terms because the A working party has been set ustional pattern of 6-7 per cent employers have agreed to try up to consider a reduction in

deals may now emerge. But the to end a disparity with other the working weak, an increase

RHA areas-is etill in the weekly minimum for the issues.

alance. highest category of drivers RHA employers in South from £78.28 to £85 for 40 hours.

Woles face the prospect of a The overnight subsistence strike over an 8.6 per cent offer allowance would rise by 50p—the highest of the sreas. A to £9.25 and holiday pay would

trial action, so far unspecified. other areas, particularly on

The offer would raise the

mass meeting of drivers on be increased by £5.

Ssturday will discuss their Mr Jacobs claimed it would the board, worth at least 5.6 shop stewards call for indussible leave South Wales behind per cent. Shop stewards in

"There may be a domino subsistence and holiday pay, who have shown hostility to a effect. If one area took industrial action others would falsecretary, described the unions' the weekend.

Swansea transmission plant continued with unofficial strikes Shop stewards said that the of 29,100 employees, have Halewood strike, which has so accepted the offer with seven far caused the loss of 27.000 plants, representing 20,710, vehicles worth more than £12m, vehicles worth more than £12m,

fears that both plants may decide to prolong their action strong negotiating tesm in Lon- beyond the weekend. "I've no don today. However, Mr Ron doubt they will accept the Todd, chief negotiator, said the majority decision," he said. meeting was largely a formality.

The 13 Ford unions are now workers at Vauxhall Motors seeking a meeting with the management on Wednesday to clear up detailed points still beld by TASS, the white collar beld by TASS, the white collar management of the still beld by TASS, the white collar management of the still beld by TASS, the white collar majority decision. The same majority decision, he said. outstanding over the lotroduc- section of the Amalgamated tion of the company's new effi- Union of Engineering Workers.

would continue until Sunday. Mr Todd last night dismissed

Union officials bave not ruled

allowance by 75p to £10 a night.

benefit, and health and safety

to be accepted in the RHA's

Western area, and Tyneside drivers will this weekend con-

sider s recommendation to

London and the South East,

Officers and ratings occupying

the 5,590-ton Senlac at Newbaven said that they intended

to continue their sit-in iodefi-

nitely yesterday following Sea-

Preliminary talks between

Similar talks between Sea-

link and the National Union of

Seamen broke down later in the

the MNAOA and Sealink took

link'o failure to withdraw

redundancy notices.

place yesterday

A 6.25 per cent offer is likely

accident and sickness

Accentances in regianal yeting were; Scotland (217 to 1071; Rirminoham (1,273 to TRN: Tancachire (592 to 390): London (1.132 to 874): Southern (1,234 to 831); and South-west (400 to 339. Relections were: Livernool (615 to 610): Midlands (631 to 591); and Yorkshire (825 to 478).

Mr Eddle Newall, GMWU national officer, sald the narrow vote reflected in part the miners' unwillingness to settle for a similar offer.

The second-largest union, the National Union of Public Employees, however, yesterday confirmed its rejection of the affer. Nine reginus voted against it and one accepted. Nupe's national executive endarsed a water committee recommendation to press for co-ardinated industrial action with the other unions over

nntil Monday. Votes received agricultural workers, seems to be heading for a narrow acceptance.

nnions rejected the deal the GMWU could be outvnted, because it halds 10 seats on the trade union side to Nape's stx, the TGWU's three and the agricultural workers' me

# denies BR rostering claim By Our Labour Staff

LEADERS of the train drivers' union Aslef yesterday sharply critcised British Rail's suggestion that flexible rostering, the main issue af the pay and productivity dispute, would lead to fewer unsocial hours and more rest days for drivers. In a leter to all drivers, BR

claimed the union's agreement toa 7-9 banr day in place of the present 8-hanrs wanld lead to fewer unsocial honking on and off times, particularly between midnight and 5 am, and more and better

general secretary, said the claim was "totally wrong and misleading." He was also critical of a suggestion that the union had agreed in August with the Advictory. Conciliation and Arhitration Service to vary the &bnur

made unsuccessful efforts vesterday to bring all the railway unions together for a meeting of the Railway Staffs' National Council, the industry's highest-tier nego-

# BBC 1

11.40 am The Hardy Boys and Nancy Drew Mysteries. 12.30 pm News After Noon. 1.00 Pebble Mill of One. 1.45 Tennis. 2.00 Bazpuss. 3.53 Regional News. 3.55 Play School. 4.20 Captain Cavemao. 4.30 Think Again. 4.55 Grange Hill. 5.20 The Amazing Adventures of Morph. 525 Welcome to Wodehouse.

5.40 News. 6.00 Nationwide (London and

South East only). 6.22 Nationwide. including 6.45 Sportswide. 7.00 The Superteams.

8.00 Fame is the Spur: The novel by Howard Spring dramatised in eight parts. 8.50 Points of View with Barry Took.

9.00 News. Tennis: The Barrott World Doubles Champion-9.25 Tennis: sbip.

10.15 Face the Music (London and South East only). 10.45 News Headlines.

†10.50-12.45 am The Late Film:
"Hud," starring Paut
Newman, Patricia Neal,
Melvyn Douglas and Brandon de Wilde.

# TELEVISION

Chris Dunkley: Tonight's Choice A fairly strong night with several new series starting. The first is available solely in the London region and then only if

you rush home: Londoo Weekend launch The Six O'Clock Shaw in the extra time allocated to them under the new franchises. Michael Aspel and Janet Street-Porter present (live) "a more relaxed view of the week's best stories." Later ITV also start Shine On Harvey Moon, a series described as "comedy/drama," written by Msrks and Gran whose first work, "Holding The Fort," was impressive. Still on ITV the postponed American series Bizarre finally reaches the screen. TV Times calle it "outrageous adult comedy," a phrase I would apply to Soap which some ITV regions get at 11.35.

BBC-1 starts an eight-part serialisation of Howard Spring's novel Fame Is The Spur set in 19th century Manchester. Adaptor is Elaine Morgan (responsible for "Testament of Youth") and the cast includes Paolo Dionisotti. Also set in the past is BBC-2's Playhouse. The Combination. In the long hot summer holidays of 1951 two Shropshire boys decide to get to the Festival of Britain in London.

# BBC 2

11.00 am Play School. 3.50 pm Tennis: The Barrett World Doubles Championship. †5.40 "The Hound of the Baskervilles." 7.00 Oxford Road Show.

GRAMPIAN

7.40 Hold Down s Chord. 7.55 In The Country. 8.25 Maestro. 9.00 Randy Crawford 9.30 Playbous 10.55 Newsnight. 11.40-12.35 am Friday Night . . .

Hewitt's Just Different. Handful of Songs. 12.10 pm Once Upon A time. 12.30 Simply Sewing. 1.00 News. plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus presented by Elsing Grand and sented by Elaine Grand and Simon: Reed. 12.45 Friday Matinee: Grouchou, Chico and Harpo Marx in "The Marx Brothers Go West." 4.15 Daugsr mouse. 4.20 Storybook International 4.45 Freetime.

5.15 Squara One. 5.45 News 6.00 Two 6 O'clock Show. 7.00 Bruce Forsyth's Play

Your Cards Right. 7.30 Hawaii Five O, starring 8.30 Shine on Harvey Moon.

9.00 The Gentla Touch, star-ring Jill Gascoina 10.00 News.

10,30 Bizarre. 11.00 The London Programme. 11.35 Soap. 12.05 am Paris by Night.

12.30 Closa: Personal Choice with Steve Race. †Indicates programme in black

7.35 News Summary. Ssturday Morning. 10.40 Mysterious Tales. 10.45 Con-tinental Cinema: "Tretfic." 12.30 sm Newo and Weether in French. Oydd. C.15-6.30 Report Wolss. 10.30-11.00 Outdook. 11.00-12.40 am "The Torture Gerden" (as HTV West at 10.30 pm).

### All IBA regions as London except at the following times: ANGLIA

11.00 am Thunderbirdo. 11.50 The Subblies. 1.20 pm Anglia Naws. 2.45 Friday Film Macnee—" The Mousa That Roared." starring Peter Sellers. 5.00 About Anglio. 7.30 The Foll Guy. 11.00 Members Only. 11.30 Fridoy Lats Film —" My Fathor's House" (TV movie). 1.10 am Girgista and Swents.

# BORDER

11.20 am Feireort Convontion. 1.20 pm Sorder News. 12.45 Film: "Okey For Sound." e.00 Lookground Friday. 6.30 That's Hollywood. 7.30 The Fell Guy. 10.30 The Steem Horse. 11.00 Steams. 11.30 Border News Summary. CENTRAL

# 11.08 sm Survivel Special. 11.50 European Folk Toles. 1.20 gm Central News. 2.45 The New Love Best. 6.00 Central News. 7.30 The Fall Guy. 11.00 Contral News. 11.05 John Millo: Star of the Weak: "The Family Way."

CHANNEL TABLE Statement May State Statement May Stat

# S.25 am First Thing. 11.00 Time to Think. 11.20 Felroort Convention. 1.20 pm North Naws. 12.46 Friday Metinoo: "Too Many Crooks." 0.90 North Tonight, including Scorts Cask. 7.30 The Felf Guy. 10.30 Points North. 11.30 The Streets of Sen Francisco. 12.25 am North Headlines, Read Report. GRANADA

11.00 am Sesama Streat. 1.20 pm Granede Reports. 2.00 Live From Two. 2.45 Friday Matines: Hylds Baker and Jimmy Jewel in "Nesrest and Oserest." 0.15 Squara Ons. 6.00 Granede Reports. 8.30 Kick Off. 7.30 The Fell Guy. 11.00 A Week on Fridoy. 11.30 Fer Adults Only. "Senjamin." starring Michela Mergan and Cethefine Osnauve.

# HTV

11.00 sm Sessme Street. 1.20 pm HTV News. 12.45: "The Arcenal Stadium Mystery." starring Lesila Senks. 5.15 Senson. S.00 HTV News. 6.30 Mr and Mrs. 7.30 The Fell Guy. 10.28 HTV News. 10.30 "The Tortura Garden," starring Jock Palence.

SCOTTISH 11.20 am Feirport Convention. 1.20 pm Scottish News Headtines and Road Report. 1.30 Squere One. 12.45 Friday Matines: "The Arsonal Stadium Mystery." 0.10 Give Us A Clus. 6.00 Scotlond Today. 2.25 Sports Extre. S.45 Heor Here. 7.30 Thingummyig. 10.30 Ways and Meeno. 11.00 Alzers. 11.30 Late Call. 11.35 Otreets of San Franciaco.

TSW 11.00 cm The Nature of Things. 11.55
Look and Sao. 1.20 pm TSW News and
Needlines. 2.45 "The Mouse That
Roared," sterring Feter Sallers and
Oavid Koseoff. 4.12 Gus Hensybunia
Megic Birthdays. 5.10 Take the Sastes.
6.00 Today 6s uth Wast. 8.30 What's
Ahead 7.30 Lou Grant. 10.32 TSW
Late News. 10.35 Postsonpt. 10.40
Mysterious Tales. 10.45 Continental
Crisame: "Traffic," aterring Jacques
Tet).

Coast to Coast (cont.) 0.30 Fridey Sport Show. 7.30 The Fall Guy. 10.30 An Evening With Liz Rebortson. 11.30 Vegas. 12.30 am Company.

- TYNE TEES.

S.20 am The Good Werd. 9.25 North East News. 11.00 Sessme Street. 1.20 pm North East News and Look sround. 2.45 Friday Matines—"Where The Buffets Fly." starting Tore Adams and Oawn Addems. 6.00 North East News. 5.02 Sportsizes. S.30 Northern Life. 7.30 The Fell Guy. 10.30 North East News. 10.32 Thriller—"Anatomy of Tarror." 12.00 Superatar Profile. 12.30 am Post's Corner. ULSTER 1.20 pm Lunchtime. 12.45 Friday Matines: The Mera Brothers Go West." 4.13 Uister News. 5.15 Hear

# Wast. 4.13 Uister news. 5.10 near Hare. 5.30 Good Evening Ulazar. 4.30 Different Strokes. 7.30 The Fall Guy. 10.29 Ulater Weather. 10.30 Witness. 10.35 Los Great. 11.30 Bedtime.

YORKSHIRE TVS

11.00 am Like Ordinery Children, 11.25

Alastaur—Oos Men And His Band, 11.55

Wattos Watton, 1.20 pm Calendar
News, 12.45 Friday Matines: "The
Black Gwan," sterring Tyrons Power,
5.15 Worth This Space. It's Nearly
Saturday, 0.30 Coast to Coast. 5.00

Terror."

11.00 am Like Ordinery Children, 11.25

Wattos Watton, 1.20 pm Calendar
News, 12.45 Friday Film Matines: "The
Stroffum Matines: "The
Colendar (Emisy Moor and Belmont
The Fall Guy, 11.00 Thriller: "Cry

### (a) Stereophonic broadcast ‡ Medium wave RADIO 1

5.00 am As Redio 2. 7.00 Mike Read. 6.00 Simon Bates. 11.30 Dava Lee Trave. 2.00 pm Paul Surnett. 3.30 Stave Wright. 5.30 Nowsbeat. 5.45 Roundtable. 7.00 Andy Paeblos. 10.00-12.00 The Fridey Rock Show (e). RADIO 2

# eterring Alfred Merke. 10.30 The Bing Crosby Shew. 11.00 Arien Metthew with Round Midnight. 1.00 am Truckers' Neur (a). 2.00-5.00 You and the Night

RADIO 3 5.00 cm Steve Jones (s). 7.30 Terry
Worning Concert (o). 5.00 News. 5.05
12,00 John Ounn (s). 2.00 Ed atewart
(s). 4.00 Osvid Hamilton (s). 5.45
News: Spert. 0.00 David Symonds with Much Mars Music (a). 8.00
Victor Sylvester Jr and his Organization.

The Bing Choral Evenseng (a). 4.56 News. 5.00 Weather, programme news. 1.20 The Weather, Druckers' the Night by Mehler and Brahms, part 1 (a). 0.05 Poetry Now. 9.25 Recital, part 2 (a). 9.20 Through German Eyas. 8.20 Music in Our Time (a). 10.30 Beowulf, 11.00 News. 11.05-11.15 Faure (s). 9.20 Through German Eyas. 8.20 Music in Our Time (a). 10.30 Beowulf, 11.00 News. 11.05-11.15 Faure (s). 9.30 Through German Eyas. 8.30 Music in Our Time (a). 10.30 Beowulf, 11.00 News. 11.05-11.15 Faure (s). 9.30 Through German Eyas. 8.30 Music in Our Time (a). 10.30 Beowulf, 11.00 News. 10.00 News. 10.00 News. 11.05-11.15 Faure (s). 9.30 Golno Places. 7.00 News. 7.05 News. 11.05-11.15 Faure (s). 9.30 Golno Places. 7.00 News. 7.05 The Archers. 7.30 Plot of the Week (s). 12.00 News. 10.00 New

# EMPLOYMENT

hour walk-out on Monday

Chirman, asid yesterday. Officials protest DEPART-MENT officials in 12 central north-west London offices, Civil and Public Services Association members, are threatening a two-

# Sealink ferries hit

The South Wales offer ia and raises the subsistence

BY IVO DAWNAY, LABOUR STAFF

STRIKE ACTION by Sealink ant st Newhaven and Harwich UK's 1,200 afficers went ahesd under a new rationalisation yesterdsy, halting all sailings by the British Rail subsidiary on continental and North Sea ruotes as well as most services to Ireland.

The Merchont Navy and Airline . Officers' Association reported that a total stoppage of all the company's ships was expected later last night when ferries on the Stranger-Belfast and Channel Island routes returned to port.

The officers are protesting day. The NUS executive has sgainst Sealink's threats ta called its port officials for talks

# make over 100 officers redund- today to discuss the position. Bank staff table 15% claim

BY OUR LABOUR STAFF CLAIMS FOR 15 per cent pay relations between the two increases far 180,000 ctaff in unions make that prospect unclerical grades one to four of likely. the English clearing banks were

ance and Finance Union.

submitted separately yesterday clude the low pay element by the Clearing Bank Union which Bifu stressed yesterday. and the rival Banking, Insur- Bifu is seeking an £80 a week Mr Jack Britz, general secre- aged 21.
tary of the CBU, which has over • Leaders of 85,000 manual

was the sams as Bifu's,

The CBU claim did not inminimum for a grade one clerk

90,000 members in Barclays, workers in the electricity National Westminster and supply industry yesterday pre-Lloyds, said be was "pleaaed" sented a claim for a "sub-that his union's general claim stantial" increase in salaries. 'Our pay rise target is 12 per "We will seek if at all pos-cent," said Mr John Edmonds, sible, joint working with Bitu," energy officer of the General be said. However, the poor and Municipal Workers Union.

### By Philip Bassett, Labour Staff WATER-AND sewageworkers in the industry's two largest unions were divided yesterday over the water anthority employers' offer of 9.1 per cent. Internnion discusalms. however.

are expected ta lead to an overall acceptance of the package eventually. The industry's majority unim, the General and Municipal Workers, recorded a narrow acceptance of the offer, by 6,831 votes (54.7 per cent) to 5.646 (45.2 per cent) on a poll of about 62 per cent of the union's 20,000 members in the industry.

The third union the Transport and General Workers, will not declare its result are, however, less than clear-cut. The ather union, the

Technically, if all the other

# Aslef leader

grouped rest days. Mr Ray Buckton, Asief

Wogan (s). 10.00 Hmmy Young (s).
12.00 John Ounn (s). 2.00 Ed 21swart (s). 4.00 Oavid Hamilton (a). 5.45
News: Spert. 0.00 David Symonds with Much Mere Music (a). 8.00
Yictor Sylvaster Jr and his Orchosita et the Redis 2 Ballroom (a). 3.45
Friday Night Is Music Night (a). 9.55
Sports Desk. 10.00 Merks in His Olery.

Moming Concert (continued). 8.00
Rews, 9.06 This Wesk's Composor: Today.

Mamdelsoohn (a). 10.00 Mela and Today.
Philic Cannen (s). 10.04 Summer Schosl et Music at Dertington Hall (s). 12.00 pm Midday Concert, part 2.

(a). 2.06 Keenig Ensembla (s). 3.00 Mornin Nothin

المحكالمن المحمل

Way W.  $\sigma_{nz}$ , 5.20 am The Good Ward. 9.25 North

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AND CALL

R. C. Com

# TECHNOLOGY

spor (

# How the Mini principle smooths the waves

As the International Boat Show opens in London ALAN CANE looks at how the constant velocity joint of the revered Mini now plays a part, in giant versions, in reducing shipboard vibration MAX COMMANDER reports on the latest marine diesel offering from Fiat designed to delight the power boat and water ski enthusiasts.

# Finding the right angle to beat the sailors' vibration headaches

drive in the BL Mini has now been put to novel use - to smooth the life of marine

Halyard Marine of Brentford, Middlesex, and GKN have developed giant versions of the constant velocity joint which made possible front-wheel drive and corner ing on the Mini for boats and ships. The new joint will take 100 times the torque of the

The problem is that in conventional craft with inhoard engines, accuracy of alignment of the engine and propeller shaft is critical More than two thousandths of an inch out and the ship vibrates muscceptably and propellor shafts wear out in a matter of weeks

Furthermore, the whole assembly has to be tilted at an angle so the shaft can point down through the bottom of the boat. An engine at an angle means less head-room up above, giving naval architects — and sometimes sallors—a headache.

.The conventional technique was to align the engine and propeller shaft with taking several days for a large boat - and then bolt everything down so securely that every last tremor and

2 (2 m) (2 m

director of Halvard Marine. puts it. "The extent of the demonstrated by the way the cutlery rattles in the resfaurant of a cross-Channel

The Halyard approach is to put massive GKN constant velocity joints at each end of a short propellor shaft. Each oint will take up to five can be installed horizontally and needs only to be aligned to within one inch.

### Fisherman

The idints allow the engine to move around freely relative to the shaft, so the engine can be soft mounted, reducing noise and vibration by claimed 50 per cent and 85 per cent respectively.

Mr Grazebrook says the idea is not new: on the North East coast of Britain, fishermen are stripping constant velocity joints out of old Minis, wrapping them in polythene bags and installing them in their

They replace them monthly as the sea water seeps in and renders them unserviceable Minis were never intended to orner under water). Production costs for the

A FINANCIAL TIMES SURVEY

Manufacturing

**Automation** 

Automation. The provisional editorial synopsis and date are set out below.

TUESDAY 3rd MARCH 1982

Advertisement copy date 17th February

increase in productivity through a combination of computer based

technologies and robotics. This article will review the origins of the

form of computer based machining is numerically controlled systems.

This article will discuss the major manufacturers and their plans for the

The Financial Times proposes to publish a survey on Manufacturing

INTRODUCTION Manufacturing industry is on the verge of a massive

automated factory and discuss the present state of the art.

NC AND CNC MACHINERY The earliest, and still the most important

COMPUTER AIDED DESIGN A review of the equipment available and the

COMPUTER AIDED MANUFACTURE A logical step from computer aided

design is to use the information stored in the system to control the

manufacturing process. Examples of prototype systems will be given.

companies making use of it.

new massive joint are about £1.5m, but an identical joint excavators so making profinetion runs an economic proposition for GKN.

problem of vibration by using a heavy duty thrust hearing mounted at the inhoard end of the propellor shaft to take the push from the propellor directly onto the hull rather than onto the back of the

enough for a paddle steamer or a small trawler, but in principle it could be extended to almost any size of vessel. There is a prototype installation on the Elizabethan, a 120 foot replica Mississippi Paddle Steamer working from Charing Cross Pier on the

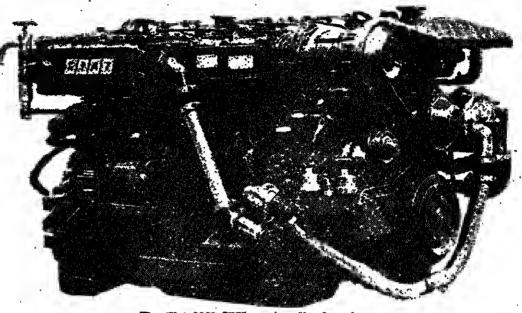
to 600 horse power at present

Mr Grazebrook claims that sengers are unable to tell whether the engines are run-

Called GKN Aquadrive, the ew system is expected to be of most interest to naval architects, although North Sea oil rig specialists are showing interest; the rigs flex slightly in heavy seas, causing alignment problems with every piece of rotating equipment

"Halyard is on 01-560 8403, and is showing Aquadrive at the Boat Show.





The Flat 8061 SRM marine diesel engine through an air/water beat

exchanger and the engine oil

through an oil/water heat

Total swept volume is 5,500 cc

with a maximum power output

of 220 hp at 3,200 rpm and a

dry weight without gearbox of

weight ratio with dimensions of

730 mm high and 1,020 mm

length.

Forced lubrication is by a

gear driven pump, while oil filtration is a full flow system

incorparating a safety by-pass

The fuel lift pump is of piston type injection, pump driven, and two fifters in parallel ensure adequate fuei

exchanger.

Show, AIFO SpA of Milan, a wholly owned subsidiary of Fiat has launched in London its new Fiat 8061 SRM marine

The 8061 SRM is directly derived from the 8061 SM, a design concept which was further developed in the production of the engine designed to break the diesel powered world water speed record achieved in 1979. Fiat AIFO, the biggest com-pany in the field of inboard

marine diesels in Italy and one of Europe's major manufacturers, believes that the engine arouse considerable interest among power boat enthus-iasts and water skiers, primarily because of the engine's dimensions and claimed fuel savings.

According to Fiat, tests on Lake Como by the Morgan-Ski of those from similar capacity

and with intercooling.

water circuit (open), using a fatigue. water to water heat exchanger

cylinder block is east integrally Cinb of Lezzeno showed operations with the crankcase in high duty ing costs to be only 30 per cent cast iron, the sides of the crankcase extending below the crank-

haft centre line to act as a The 8061 SRM is a four-stroke stiffening skirt. Renewable dry direct injection diesel with six liners are pressed into the in-line cylinders turbocharged cylinder bores. The crankshaft is supported The latter is achieved by the by seven main bearings and in-

use of two circuits. The primary corporates integral halance is a closed fresh water circuit, weights of special heat treated cooled by the secondary raw steel to give high resistance to

Pistons are of die cast high of the tube element type.

The secondary circuit also ate a special insert into which cools the turhocharged air the top piston ring is located.

# Censor causes a stir in the U.S.

BY LOUISE KEHOE

THE QUEST of the semiconduc-tor industry to make ever smaller and more densly populated chips has a new ally in the form of a complex photo-lithographic system produced hy Censor Products, a small Liechtenstein

Censor, new to the semiconductor production equipment husiness, has caused a stir in the U.S. by introducing a "stepper" system that signifimicrominiature circuit patterns that can be optically produced on a silicon wafer.

The stepper is an ultraprecise micro-lithographic system that aligns and projects patterns of minute circuitry onto waters of silicon.

# Resolution

The system-which was first announced early last year has already been purchased for evaluation by some of the leaders in the semiconductor business-Intel, IBM, ITT, and Siemens. Five more systems are on order, each at a price of \$750,000, according to the com-

Several other U.S. and companies make — but none, Censor claims, can match its fine line resolution, including market leader GCA Corporation of Bedford, Massachusetts.

Key to Censor's success ere the sophisticated optics that give Censor's stepper the ability to produce features as small as 0.7 microns wide on a silicon chap. That is almost balf the size of those made by competing stepper systems. By comparison the top selling stepper system from GCA has a resolution of 1.2 to 1.4 microns.

The resolution of the Censor system also challenges that of far more expensive electronbeam systems that have been mooted for the next generation of semiconductor devices,

. "The Censor system has a superior lens." says Gerry Parker, vice-president for Technology at Intel. According to Herner H. Tabarelli, Censor president, his company has obtained exclusive rights to use the special lens from its manufacturer, Zeiss.

How does a small company with no previous experience manufacture such a complex system? "We have contracted with Omega of Switzerland to manufacture the mechanical elements of the system," says Tabarelli. "They have the craftsmen needed to rthe precision work, and they need the work because of the poor state

of the Swiss watch industry." Finer resolutions are always the goal of the semiconductor chip-maker because they mean more devices making more complex circuits on each chip.

To make the latest generation of memory devices, 64K RAMs, most manufacturers agree that the high resolution of a stepper system is needed for the most critical stages of production. When it comes to making 256K RAMS-parts that are expected to go into production in 1983steppers will be essential.

# Theoretical

While chip makers are pleased with the new Censor system, not surprisingly, perhaps, competitors GCA are not easily impressed. Bill Schneider, product marketing manager for the GCA stepper, claims that Censor's specifications are theoretical and probably could not be attained in a real production environment

GCA bas sold more than 300 stepper system to semiconductor producers throughout the world, and has a massive service organisation to support customers in case of system failure. "We do not regard Censor a significant competitor,"

said Schneider,

Connecting rods of high tensile steel have oil ways to lubricate the liners and gudgeon pins.

Standard equipment is a 12V electrics system with starter motor of either a Bosch type JF 12 or 3kW or a Marelli MT 68AC of 3.5wW. A choice of gearboxes is available. Fuel consumption ranges

from 170 gm/CV hour at maximum power falling to 164 gm/ CV bour under normal seagoing conditions.

Prices start at £5,535 reaching £6,827 depending on choice of gearbox and other options. Full technical details are available from Iveco (UK) Fiat Aifo Division, Road One, Industrial Estate, Winsford, Cheshire Estate, Wins (06065 53181).

# Low cost shipborne satellite terminal

A NEW design of low cost shipborne aatellite terminal aimed mainly at the smaller vessel is under development at the Home Office, in conjunction with UK industry.

At the moment some 800 ships are believed to be using the "Standard A" terminal which employs a 1.5 metres diameter relatively high gain, narrow beamwidth dish aerial with elaborate tracking system for use meinly with the U.S. Marisat system of orbiting satellites. Each of the shipborne stations costs up to £25,000,

### Operational

The new system on the other hand, intended mainly for us with the new series of six satellites to be put up by Immarsat, the International Maritime Satellite Organisation is likely to have an installed cost hetween £5,000 and £10,000.

When all six of the get stationary craft are up and operational, probably by 1989, any ship on any ocean will have virtually instantaneous contact with any land-based telephone

The design approach for the new compact terminal has been to use a smaller dish aerial (0.4 metre) of less gain and wider beamwidth. This reduces the steering/platform stabilisation costs while the consequent problem of increased noise is taken care of hy using a digital transmission technique employing pulse code modulation.

### Converter

Main part of the shipborne dectronic hardware is being upplied by Microwave Associates of Dunstable. It consists of an up converter (transmitter) and down converter (receiver) sharing a common local oscillator which takes the form of a crystal controlled frequency synthesiser with thumbwheel selection of 341 channels.

he range 1636.5 to 1645.0 MHz and can deliver up to 25 watts to the dish. The receiver works over a range about 100 MHz lower and can deal with input signals down to -100 dB.

# **micropad**

# One unit mobile grit and water blaster

and grit blasting in one trans-portable unit is now available from Miner Industrial of St Helens, Merseyside.

Developed by Fabrications, the blast stream can be adjusted for wet or dry blasting to achieve the required finish or profile when cleaning stone, concrete or plastic

variable from 30 to 125 psi. Compressed air requirement is 250 to 350 cfm depending on nozzle size while the unit has a capacity of 450 lbs of expend-

The unit is eight feet long four feet wide, and five feet high, Miner Industrial is at Moorfoot Industrial Estate, Parr, St Helens, Merseysida (0744 39595) and Seaguide Fabrications at Unit 6. Garston Industrial Estate (Liverpool 4940388).

# Range of steel tanks

RANGE of tanks erected from modular steel commonents and with flexible membrane (Engineers) of Glasgow

The company says that com-ponents can be hand carried where space is restricted.

Originally developed by ModuTank in New York, the Scottish company is manufacturing three sizes-ModuStor of 30m' capacity, the Maxi-Pak (8m'-70m') and the Minipak (1m'-5.5m'). McLeod and Miller is at

Whistlebury Road, Blantyre, GEOFFREY CHARLISH Glasgow (0698 822231).

# COMPANY

ASAHI CHEMICAL INDUSTRY LTD. BEARER DEPOSITARY RECEIPTS Issued by Morgan Guaranty Trust Co. of New York

A distribution of \$0,272 per depository share less any applicable taxes will be payable on and after December 2a, 1581 upon presentation of Coupon No. 15 at the office of any of the following depositaries:

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OF NEW YORK, 35 West Broadway.

Byssels, 35, avenue das Arts,

London, 1, Angel Court.

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Landstrasse 

JAMES BEATTIE LIMITED NOTICE IS HEREBY GIVEN that the preference Share TRANSFER BOOKS the Company will be closed from 24th January, 1982, both dates

inclusive.

By Order of the Board.

G. T. LOWNOES, Secretary

71-76 Victoria Street,

ALLEGHENY INTERNATIONAL HOLDINGS INC.
Floating Rato Unsecured Lose Notes 1984 of 21 each 1985 of 21 each 1985 of 21 each 1985 of 1985

# **THEATRES**

SAVOY. Ct. 61-836 0885. For Credit Card bookings ring 930 0731 (4 lines). 9.30-4.30, Eves 0.50. Max Thurs 3.00. Sat 6.00 and 6.45. OERALD HAPPER, SYLVIA SYMS IFRANCIS DDREKIDGE'S HIT THINK HOUSE GUEST WITH PHILIP STONE. OVER 250 PERFORMANCES. ST. MARTIN'S. CC 836 1443. Eves 6.00.
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HYSTERICAL YEAR OF THE LDNGESTRUNNING COMEDY IN THE WORLD
NO SEX PLEASE—WE'BE BRITISH.
2 hours of aon-stop laughter. Oirected
by Allea Davis. Group sales Box Officiol
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UPSTREAM. 925 5594. From 29th Dec. Family Musical YOU'RE A 600D MAN CHARLIE BROWN. VAUDEVILLE CC. 01-836 9088. Eves the Wed Mats 2-45. Sats 5 & 0. GORDÓN IA WESSON IT TO THE TABLE. SORRY. NO reduced prices from any soarce but soats bookable from \$2.50.

for younger children.

Whitehall, Box off. tel 51-839 8978, \$1-830 8012-7786. CC 01-936 6695-6693-6694. Group sales tel 01-378 6051. Whitehall's latest farte anyone for Denist by John Wells, Orerad by OICK CLEMENT. MON-SAT EVES 8.18 pm. MAT SAT 5.00 pm.

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BLAKELY. ROSEMARY MARRIS IN
ARTHUR MILLER'S ALL MY SONS.
ORICCED by MUCHAEL BLAKEMORE.
MOSFFI 7.30. Sat 4.50 & 8.00. Wed
mut 2.36.

11.544 to 11.545 11.557 11.568 to 11.570 11.582 to 11.584 11.626 12.445 to 12.445 12.454 to 12.458 12.454 to 12.472 13.457 to 13.453 13.456 to 13.475 13.475 to 13.473 13.455 to 13.473 13.455 to 13.473 13.455 13.453 to 13.494 13.515

**AUTOMOBILES PEUGEOT** 

10% 1976-1983

LOAN OF FF 125,000,000

We leterm the bondholders that the redemption instalment of FF 37,500,000 nominal dua February 15, 1682, has been satisfied by purchase of FF 23,450,500 nominal bonds and by the drawing for redemption of the undermentioned bond amounting to FF 14,025,000, on December 21, 1681, in Lovembourg, to the presence of an "Hotseler".

The bonds will be reimburged at par na February 10, 1662, courses 45.

### PROVINCE OF NEWFOUNDLAND 30,000,000 Canadian Dollars 101% 1975/1985

Pursuant to the terms and conditions of the loan, notice is hereby given to Bondholders that, during the twelvementh period from December 15, 1980 to December 14, 1981, Cdn\$ 1,200,000 of such Bonds were purchased in satisfaction of the Purchase Fund requirements. Amount outstanding: Cdn\$ 26,490,000.

January S. 1982

PROVINCE OF NEWFOUNDLAND

### US\$30.000.000 Quebec Hydro-Electric 8½% Debentures due 1.2.1974/89.

Debentures covering US\$1,000,000 have been purchased on the market to satisfy the Purchase Fund due 1st February, 1982.

NACIONAL FINANCIERA S.A.

HARAM.

BANQUE INTERNATIONALE A
LUXEMBOURG
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GLOUCESTER CITY. 5250,000 Bills Issued 5.1.82 doe 7.4.82 at 144%. Total appin, £1.5m Outstanding pil.

£6m Bills from 6,1,82 to 7.4.82 at 1419;2%. Apple, £3m. None outstanding.

SANDWELL RILLS

£3.8m Bills from 6.1.82 to 7.4.62 at 14.6%. Apple, £18m, £11 km outstanding.

MITSUBISHI ELECTRIC CORPORATION

A distribution of \$1,371 per depositary share less any applicable bases will be payable on and after pecember 26, 1881 upon presentation of Coupon No. 22 at the office of any of the following depositaries:

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Landstrasse
-CREDIT INDUSTRIEL O'ALSACE ET
DE LORRAINE
-Grand Rue 103, Lexambourn Net rate: 51,165 (15% Japanese deducted) 81.097 (20% Japanese tax

SOLVAY & CIE S.A.

The Directors of the Compasy have declared an Interim divident for 1881 of 176 F8 net on A and 8 shares and 28 F8 on C shares (the latter, 45%, paid pp). Psyment will be made by Beigian Frampart, or, is sterling at Basicers sight baying rate for BF3 on day of presentation at the option of the holder, against presentation of compon No. 27 at the offices of J. Henry Schröder Wass & Co. Limited, 120 Cheepside. London EC2 or Banque Relge Limited, 4 81shopsgate, London EC2 between the housers of 3 a.m. and 2 p.m. (Saturdaya excepted) to or after Thursday, 21st January 1682. U.C. Tax will be deducted from the net dividend unless lodgements are accompanied by the necessary Amderity. Payments can only be made to personaresiding outside the Belgo-Luxembourg Customs Union. Under the terms of the U.K./Beigism Double Taxation Cohvention shyrebolders residing in the U.K. are eligible, mon submitting a duly consoleted form 278 DV. (G.B) to a partial resinbursement of Beigisa Withhelding Tax equal to 5.25% of the net dividend.

Further Information, if required, can be obtained from the abovenetyloned Agants.

# **ANNOUNCEMENTS**

# The size, contents and publication dates of Surveys in the Financial Times are

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FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

subject to change at the discretion of the Editor.

# An international debut worth singing about

IN APRIL, the town of Harrogate in North Yorkshire will show a more intense interest than usual in the Eurovision Song Contest—an interest that will have little to do with the year. quality of the lyrics.

For the contest is heing staged in the town's new £28.5m conference complex and the event is, in effect, the international debut of a centre designed to keep Harrogate in the first division of British conference venues and allow the town to compete for a larger slice of the lucrative international conference trade.

Not only will the event in Harrogate be seen by more than 400m people all over Europe, a five minute film on the town and the beauty of the surrounding area will be shown during programme—invaluable publicity for Harrogate as a tourist centre.

The potential rewards for Harrogate are great, but the competition for the conference and exhibition trade is intensi-fying in the UK and abroad.

Around £550m a year is spent on conferences in the UK and British companies now spend 8 per cent of their marketing budgets on exhibitions. This is double the proportion of five years ago and totals £200m.

Internationally, the centre is probably being launched into a buyer's market for conference throwers in the mid-1980s as new centres come on to the market. In France, for instance, the relatively new convention facilities in Monte Carlo are about to be joined by an \$50m complex at Cannes and another giant project is planned

For Councillor Ron Mather, chairman of the conference sub-committee of Harrogate Council, there was little choice. "We had to do it. It would have been fatal for the future of the district not to have built it—the town would have gone into

For its money, Harrogate has got a splendid 2,000 seat auditorium, which can be curtained off for 1,300 and 600 audiences, a new exhibition hall which doubles as a banqueting hall for 1,000, a superstore with 40.000 sq ft of selling space, an block, restaurant and small shops plus the foundations for a new hotel.

at present bring in an estimated trying to sell a centre that was £25m a year to the town and it not yet completed. is believed that the new centre will lift this by 25 per cent this

Next month, the international situation permitting, Mrs Thatcher will walk up the spiral approach to the auditorium to after that, deliver the keynote speech to Young Conservatives' Conference.

Harrogate is also negotiating with the Confederation of British Industry for its 1982 conference in November and the town hopes that the Liberal



Party and the Trades Union Congress will come next year. There has however been a row locally over the delays in the project and rapid rise in

that work was to begin on the centre said the completion date " is expected towards the end of 1978." It was expected to cost about £8m.

The path to its opening has not been smooth. Apart from the difficulties of inflation, the council had to take over the project after the original private developer was unable to proceed. Then in 1978 the decision was taken to upgrade the plans to meet growing competition. Finally in Christ-mas 1980 the council had to come to terms with the fact that the centre needed financing of £25m plus agreement on a

Mr Mather told councillors last month: "We can see day-light now at the end of the tunnel. It has been a very long tunnel—one of the longest I have traversed." He also have traversed." He also promised a council investigation into the rise in costs and the extent to which this could have been anticipated.

The centre will produce an overall loss of around £5m this being around 25 per cent. The area.

Conferences and exhibitions difficulty, now removed, was in

Under the 14-year loan agreement with merchant bankers Morgan Grenfell, the cost to the local ratepayers will reach a peak this year, be "minimal" in 12-15 years and show a surplus

The Harrogate Conference Centre has its origins in a report by PA consultants on the future the town.

Its conclusion was: "We consider provision of a new conference hall essential if Harrogate is to maintain, or more importantly increase, its present position in the market. Despite the risks it is an investment decision which in our opinion the corporation must face up to as a matter of urgency."

The council, which is Con-servative-controlled, did just that and, despite all the difficulties, believes it took the right decision, for the conference and exhibition trade in Harrogate has shown slow but steady growth over the past decade. In 1971 there were 410 con-

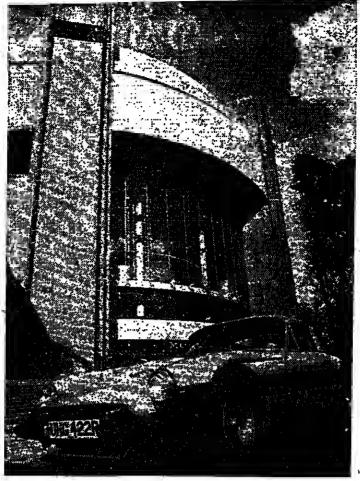
ferences attracting 37,468 delegates. In 1980 the number had grown to 559 conferences attracting 48,893, according to council surveys.

Conferences vary greatly, of course, anything from the 2,000 delegate Institute of Personnel Management conference and exhibition in October (Harro-gate regulars) to a 20 delegate conference held by Shell UK in a local hotel.

Direct earnings from conferences and exhibitions can be substantial—Harrogate exhibition halls are hired out at £800 . a day and the new conference centre will be hired out commercially at £1,000 a day, although conferences will pay only £1 a delegate. The greatest impact is the indirect boost given to the local economy.

Around 6,000 jobs are directly dependent on tourism in the Harrogate district and many other service jobs are tourism linked. The vitality of the con-

ference and exhibition trade has contributed to holding the unemployment level in the Harrogate travel-to-work area to 8.1 per cent, 4 per cent year with an occupancy level below the national average and which at the moment looks like lower than its surrounding



The striking exterior of Harrogate's new £28.5m conference complex

# **Design and Construction**

Principal firms involved in the project were: Architects: Morgan Bentley Ferguson Cale Mechanical and Electrical Engineers: Ford, Higgins and Pole

Quantity Surveyors: Wilfred Sykes and Needham Structural Engineers: Robert T. Horne Associates General Contractors: John Laing Construction

# Hotels move into top gear for the conference age

in Harrogate. It costs 10p to visit the Royal Pump Room Museum and another 10p to descend to the original wellhead and drink a glass of sul-phurous water "efficacious in curing rheumatism, gout, digestive ailments and skin diseases."

But if the spa water is not so highly valued as once it was, the spa area has left one important economic legacy which has helped the town to develop as a conference and exhibition centre-a range of good hotels.

There are five four star hotels clustered within walking distance of the new conference centre and a total of 2,000 first class beds, with either private shower or bath in the town. In the town and surrounding district there are seven three star hotels, a total of 160 hotels, guest houses or farm houses offering accommodation and more than 4,000 beds.

If the new centre attracts more conference trade will Harrogate be able to cope?

There are already about 10 weeks a year when Harrogate is so busy—for instance during the International Toy Fair every January—that the town bursts at the seams.

Then some exhibitors have to stay as far away as Leeds, Bradford or York.

the short-term.

Plans are already underway, however, to increase the number of first class beds in Harrogate and to improve the quality of existing hotels.

The foundations for a new modern hotel have already been constructed as part of the conference project. Talks are at "an advanced stage" for the construction of a 480-bed four star hotel on the site which would be directly linked with the bar areas of the conference

Mr John Abel, managing director of the George Hotel company, explained that his company sold the four star St George Hotel in Harrogate in 1980 to provide capital to invest in the new hotel project. The plan is to invest a total of £12m in two stages to build a conference hotel and additional conference and exhibition

Outline planning permission has already been granted for another 400 beds in the town to be provided as they are needed. In the meantime, the existing hotels of Harrogate are spending large sums on upgrading, redecorating and refurbishing

with the pulling power of the new conference centre in mind. The Granby, for instance, has

could increase the number of spent film and the Hospitality times when Harrogate has to Inn, facing the Stray, the 200 put up the "full" sign at least acres of greenery which almost encircles the town, has spent £900,000.

The largest hotel in town, the Majestic, has already spent £500,000 on its public rooms and is upgrading its bedrooms in

The Old Swan, where Agatha Christie stayed when she "disappeared" for three weeks and where the film Agatha was shot, has spent more than £300,000.

Most of the large Harrogate hotels could not survive with-out the conference and exhibi-tion trade. Mr Frank Flaherty, general manager of the Majestic, says that it accounts for more than half of his business.

The main problem at the moment is that there are sharp peaks and troughs.

Hoteliers hope that eventually the new conference centre will help to smooth out the un-profitable troughs. Although they may also grumble at delays and cost and increasing rates they are convinced of the long term merit of the investment.

Mr Flaherty, whose hotel grounds almost touch the new centre, commented: "In 25 years' time it will be said that the council showed tremendous foresight and wisdom to have built a major international

# Tourists and delegates: a search for the right mix

The success of the new centre

THE CONFERENCE and exhibition trade has perhaps come to overshadow "ordinary" tourism in the

Harrogate area. That is where the major investment has been Those exchange ideas or products,

tend to stay in good hotels and to spend more heavily than those who have come just to look or relax. They are also prepared to come in almost any month of the year.
"Ordinary" tourism is still
important to Harrogate and the qualities which attract visitors make Harrogate a

more interesting and pleasant conference venue.

There are said to be more antique shops in Harrogate than anywhere in Britain outside London, and the town delights in beating resorts like Cannes into second place in international floral com-

petitions.

Although the Royal Bath
Assembly Rooms closed for therapeutie baths in 1967 the Baths have been retained with sauna and solarium added. restaurant a pianist still plays as people sip their morning

The main thing Harrogate lacks as a resort is the sea. Tourist Information Office, which answers 150,000 queries a year, regularly gets asked the way to the beach. The answer is always "60

miles either east or west." Harrogate's greatest tourist attraction is probably the fact that the Dales start two and a half miles down the road and the town is used as a centre for exploring such areas as Upper Nidderdale and Wharfedale.

Tourism in North Yorkshire has been given a new impetus by the veterinary novels of

The town of Brawton in the novels is Harrogate and Herriot weekenders, before being whisked off to Thirsk,

James Herriot.

in the hope of catching a rare glimpse of their hero, are often treated to a Harrogate dinner at which the real live partner of James Herriot, who recently retired as a vet, tells them of his life and times.

North of York another literary-television site of pilgrimage is beginning to draw increasing attention — Castle Howard where Brideshead Revisited was shot.

Mr Tany Miles, resort services director, believes that lasting distinction between conference visitors and tourists may be mis-leading. "The conference delegate often comes back to the area as a tourist and brings his wife," he says. On the second visit it is the small hotels, guest and farm houses which benefit.

However, conference delegates and visitors may not mix all that well. One tourist on a discount weekend was horrified to find his hotel full of people earnestly trying to sell each other video equipment.



HARROGATE CONFERENCE CENTRE

the advance of both recession "living" conference centres at and telecommunications. "Wembley, Birmingham, Bar-

bican and Brighton.
The "Big 5" club, however, is likely to grow bigger. St. David's Hall, Cardiff, is due to

open in the autumn, and will

also seat 2,000 in air-conditioned comfort with closed circuit tele-

vision and full arrangements

Then Bournemouth is due to weigh in with a £16m centre.

very different, are in a sanse complementary. Apart from Wembley and the Barbican, which share London, they are

in different areas of the country

and conferences often like to

move around from year to year.

will use the new centre, Harogate's traditional confer-

ence space will still be used-

perhaps for conferences that

want to break down into

different sections. For the Baroque style there is the 1,300 seat Royal Hall, built in 1900

for £78,000 and denounced at

the time as a "white elephant."

Then there are 700 seats in the Lounge Hall, 300 in the

Crescent, and 400 in the Parlia-

ment and 500 in the Sun

Pavilion, apart from private con-

An important part of the

space giving a total of

centre complex is the additional

2.000 square metres of exhibi-

It is an indication of the

health of the exhibition market

that last month they were bold-ing an exhibition about the

exhibition business in Harro-

gate and that all six balls are

90 per cent booked for the next

clients in the best restaurants

"I was once attacked for go-

International Congress and Con-

vention Association in Vienna,"

he says.

But after explaining the value

and necessity of such inter-national contacts be got a round

of applause from the councillors.

It is important, he believes, to know his counterparts in West

Tony Miles started as an office

entertainments manager,

boy in the Margate council offices and worked his way up

where be was in charge of bis

father who ran the resorts deck-

Harrogate first as deputy and

then as resort services director.

everything from art galleries

and museums to arranging the

venues for professional wrestling and performances of

the Hallé orchestra from his

new office in "one of the finest

conference centres in Europe.

Since 1972 he has been at

Tony Miles will now run

Berlin or South Korea.

chair service.

linked complex.

tical masters.

ference venues in local botels,

Although large conferences

The present "Big 5," although

The new exhibition hall with overhead racks to carry services

Investing in the future

Apart from commercial con-

siderations, it was also de-

liberately decided to have a

large supermarket as part of the centre so that it would seem

less a thing apart from the life

of the town. Morrisons, the Bradford-based supermarket

the store after spending £2m on fitting it out and biring a staff

of more than 150. It has the use of 200 of the centres 400

"In a sense, Harrogate had

Joe Bentley of Morgan Bentley the architects says. "We were aware that Birmingham,

Barbican were on their way . .

Europe was scoured for ideas.

As a result, Harrogate is a mem-

ber of a very exclusive club— the British Conference and Ex-

bibition Centres Export Council.

modern, purpose-built con-

ference centre capable of scat-ing at least 2,000 people to join

the group which combines to

market their facilities ioter-

In the world of super salesmen

Mr Tony Miles, resort services

director: friendly rivalry.

in his office, he is on the phone

that morning to see when the

inquirer can come to Harrogate

with spouse to see the facilities

It is a difficult, ambiguous world for municipal conference

salesmen prepared to spend

entertaining possible

When an inquiry is received

A town or city must have a

car spaces during the day.

greatness thrust upon it."

company has already opened in for hroadcasting.

Bradford-based

managers who have just taken possession of new conference

centres are very prone to claim,

and go on claiming, that their building is not only the best in

the region but also in the coun-

Such claims can usually ba

only tested adequately by con-

ference organisers trying the

place out and comparing the place out and comparing the experience with the opposition. Before its doors were open, professionals in the conference and exhibition field were saying pice things about

Exhibition managers of the

British Exhibition Venues Association, interrupted during a meeting in Harrogate last month, were very flattering. Mr

Ray Purnell, chairman of tha

association, commented that the centra was "absolutely stun-ning. You have to go to Europe to find anything like it.

There is nothing to touch it in

Britain. It is the finest — an investment in the future which

is bound to pay on.

Certainly the building is dramatic and with its six red brick towers supporting its round superstructure it has an

extraterrestrial air as if it bad just unexpectedly landed beside

The visitor is swept up a

broad cantilevered ramp through two and a baif spirals

to the mouth of the auditorium. The ramp won the Concrete Society's award last year before

It is surrounded by informal

areas on several levels and a

IN MAY, Mr Tony Miles, direc-

tor of resort services for Har-

rogate, attended a meeting of

the "Big 5" conference centres, the group set up four years ago to market jointly abroad the Barbican, Birmingham,

Brighton, Harrogate and Wem-

around the table together knowing that each (plus the Royal Albert Hall) was fighting to attract the Eurovision Song Contest. But not a word was

It is an example of the curious

mixture of co-operation and deadly rivalry involved in pull-

ing off the big prizes in the con-

Tony Miles struck early

When Bucks Fizz won last year's

contest in Dublin, giving Britain the right to stage this year's

contest, he was on to the BBC

first thing on Monday morning.

the conference business, says Mr Miles, who has 30 years ex-

municipal entertainments, con-

ferences and exhibitions.

Like serious poker players who are also friends, they sat

bley : conference centres.

said on the subject.

ference world.

grit

feeling of space designed to nationally. Until now, Harro-allow delegates to "hreathe" gate has bad the distinct dis-and conduct the face-to-face advantage of being merely an

meetings that help to make con-ferences a growth area despite brochures alongside pictures of

three-storey millstone

the building was finished.

s bound to pay off."

Harrogate houses.

try, Europe, the world.

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# The man who changed the spa's image

perience in the organising of directors. They must be super

"You have to mova fast in and surrounding area.

MR BILL BAXTER remembers to have been in Harrogate." hotels for breakfast.

"Harrogate's century was the wise inevitable decline. 19th, particularly after the rail-way came in 1847, whereas Bath the disruption of war when the he had been there then too.

Leger, all of Victorian Society came to take the cure, self and we were the first in If the Prime Minister bad wanted to hold a Cabinet meeting it would probably have bad

Harrogate when the early morn- Bill Baxter was Harrogate ing streets were full of car- entertainments manager from

riages and landaus and the 1945 until his retirement in Royal Pump Rooms served 3,000 1968 and saw the spa era pass glasses of improving water be-tween 7 am and 9 am before change of direction to conferhigh society returned to their ences and exhibitions which saved the town from an other-

was fashionable in the 18th hotels were commandeered as century," Mr Baxter says as if hospitals, and finally the advent of the National Health Service Between York races and the killed off the spa business.

"Harrogate reorganised itthe conference field," Mr Baxter

Not all the old hotels survived the transition. The Queens, for instance, is now the headquarters of the Yorkshire Regional Health Authority. Mr Baxter believes the new

conference centre, built on what was once municipal tennis courts where'a Davis Cup match was played and Fred Perry gave in Brighton. exhibitions, is a logical develop-

"We bad to do it. We started in conferences very early and we just had to keep up with the competition," says Mr Baxter, who in his 78th year



technology

lighting

right time to harness all the new technology. There may be increasing sophistication but not much fundamental change for the next decade," Mr Joe Bentley of Morgan Bentley and Partners of Harrogate, the centre architects, believes.

The centre was able to buy a closed circuit television system for £2,000 that would have cost between £12,000 and £15,000 a few years earlier and the 160-way light pallet memory control board which cost £14,000 would have been £100,000 four years

Technically, the Harrogate anditorium is a compromise. Apart from conferences and exhibitions it has to be capable of staging everything. The only notable exception is opera or drama needing ex-

made as a result of council policy. Other features are:

12,000 square metres in six halls which now all form part of a

 Sound systems designed to match or exceed broadcasting or recording studio standards. A chairman's panel to necessary, speakers which are ronted through the mixer, and make use of loud-

while at the same time being council employees having to account for every penny to polithe anditorium which ara to be called the "Harrogate Conference seat." ing to the conference of the

links each room in the centre to a central alarm panel visible to fire services from outside the building.

# Harnessing

FOR HARROGATE there from the delay in completion of the centre. The technical equipment is the very latest particulary important when is changing

rapidly.
Some of the sound and equipment was ordered as recently as 12 months ago, with subsequent savings in cost, size and

"We were building at the

There was also time to learn from the experiences of other new centres. At the Wembley centre it was found that pop groups liked to do their sound mixing close to the stage. So apart from being operated from the control rooms at the rear of the Har-rogate auditorium, the 24 channel sound mixing desk can also be used at the centre of the hall.

tensive scenery.

Ahont 95 per cent of the centre's equipment is British

 An extension grid which extends over the whole plat-form which can be stepped by three lifts which can travel from anditorium floor level to 2m above.

• A control level which sweeps round the auditorium

and bouses lighting, sound, projection, interpreter booths, VIP viewing and broadcast control. The interpreter booths have not been fitted with permanent equipment however—this will have to be

speakers in the ceiling.

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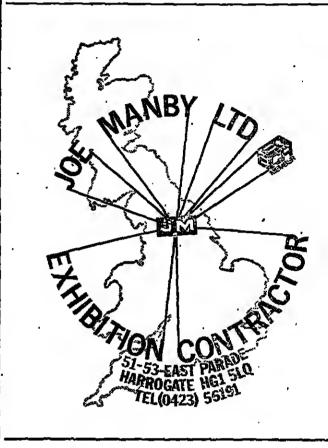
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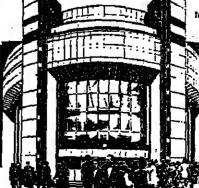
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rail and air with an airport 30 minutes away and easy access to Europe (via the port of Hull) with daily farry services, direct high speed trains from Kings Cross and major motorways completing

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Members of ICCA, BCECEC, BACT, EFCT.

He was involved in the Eritish Advertising Convention held in Harrogate in 1925. He believes it is indicative of the future that 1,000 advertising executives and marketing directors will return to the town in September for their annual conference in the new centre. The new international centre was apparently a key reason for persuading the association to

Mr Roger Underhill, directorgeneral of the association, commenting on the decision, said: "We felt it was time for changes. By holding the conference in Harrogate we shall is still chairman of Harrogate be closer to the industrial heart and District Hotels, Gnest of the country where so many Houses and Restaurants Association of our advertising members are



Mr Bill Baxter: first in the conference field.

break with their tradition of holding their annual conference

# ITT learns the importance of national identity

Ian Hargreaves, in concluding his analysis of the U.S. multinational, highlights its European operations

NOTHING in ITT's vast 90- on the way to becoming in the per cent in West Germany, country empire has given the past 20 years the world's largest 2 per cent in Britain, 10 per company such persistent prob- conglomerate, has sought most cent in Spain) are still small lems in the last five years as of its growth outside Europe, Television's turnaround associated the statement of the per cent in West Germany, country to be company such persistent problems in the last five years as of its growth outside Europe, ITT Europe, the sprawling collection of businesses whose almost \$10bn in sales last year made it Europe's 14th largest manufacturing company, just But today, having sbut down profits.

large parts of its food and electrical goods operations, reorganised consumer electronics on a West German base and rethought its European management structure. TTT is singing a more confident time.

"I have a very good feeling out Europe," says Rand raskog, ITT's chairman, about Europe," Europe is a tremendous part of the personal fascination (of managing IIT) for me. But I bope that will not lead to us keeping something we shouldn't

This sounds like—and indeed is—a piece of cheerleading, because Araskog is the first to admit that ITT still has some significant problems in Europe
—a rocky Italian motor parts busioess and serious over-employment in Spain among them. But it is cheerleading worth notiog from a company whose roots are in the European telephone husiness, but which,

From London to Bonn and Chicago,

From Chile, to Holland and Greece;

Do something to lessen their cares;

Turns to sleep for relief when he can;

Beleaguered in Basle and Benghazi,

The most robust of corporate men,

No higher to most than their knee,

Brings o strong, paradoxical urge

For yesterday's eager free-traders

Quake of the vast kamikaze

Hordes of the murderous yen,

The ubiquitous blond oriental.

They awake to the frightening spectre— Of inscrutable men from Japan.

Wherever the harassed director

In the hope that the counting of sheep'll

In Zurich, Toronto and Nice;

Every island and orchipelago

Wherever executive people

Slump wearily into their chairs

physical assets are in Europe and Europe provides about at a time of very poor market 55 per cent of the company's conditions.

### Closure...

TIT can hardly be surprised if outsiders are confused about 1—Co its intentions towards Europe. Business In 1978-79, when Lyman 2—pl. Hamilton was briefly chief for most executive, the plan sermed to ba to close down Europe's conbusinesses, television, entirely.

Then Araskog came approved the closure of four TV plants in France visit four TV plants in France, West Germany and the UK and the modernisation of another plant in West Germany, which is now part of Standard Elektrik Lorenz, ITT's West German telecommunications subsidiary. The plan bas worked and SEL.

**BOARDROOM BALLADS** 

EAST OF EDEN

causing many to doubt. ITFs the main reason why ITT's concommitment to the continent sumer products group will this Today, just under half of ITI's year make money for the first time since the mid-1970s and

Television has thus been the most striking and concrete example of Araskog's European strategy, which appears to have

1-Continue to sell peripheral 2-Place line responsibility for most European operations with the major ITT telecommunications company in each country -SEL in West Germany, STC

in Britain, STK in Norway. A corollary of that has been sharply to cut the Brussels headquarters staff of TTT Europe, which has fallen by 15 per cent to under 400 in the last three years.
3—In the major business,

telecommunications equipment, create a more democratic decision making structure to cut despite high German labour out wasteful rivalry within costs, is now sufficiently efficient Europe and between Europe and the U.S., where ITT needs in TV manufacture that the business is making money, even all its European expertisa though its market shares (12 to crack a very difficult market.

Bertie Ramsbettem

But it's not just the fact that we're losing

The markets that's causing the fuss; It's these damned funny methods they're

Giving life-time employment and such?

But the board wouldn't care for it much!

With o MITI to sort out the quarrels-

To behave as he should, we have heard,

Let's just muddle along as we can! And o Japanese banker refuses

Did you ever hear of employers

And as for the dubious morals

Of having a National Plan,

By putting the money to uses

Our fellows regard as absurd.

Pray that they'll learn in Osaka,

To do it the way that we do.

Which they've clearly not borrowed from us!

They're just doing these things to decoy us,

Willian Europe, ITT expects its new system 12 switch to enable it to hold on to its very substantial share of the European switch market

cross-fertilise 4-Try to between TIT's U.S.-based electronics businesses and those in Europe, where ITT has great research strength, to create advanced electronics products

for the business market
5 Tackle the problem of
over-employment, which is most serious in Spain.

Under the first heading, says Jack Guilfoyle, president of ITF Europe, ITT has a "small list," but nothing to compare with the dozen or so European companies sold in 1979 and 1980 in the food, lighting and distrihution areas. The more obvious candidates for sale would be Nova, the Belgian bome electrical appliance maker, and Leitheit, which makes kitchen gadgets, Both of these, says Guilfoyle, are profitable and could be sold if anyone were prepared to offer a good price. The second element, manage-

ment structure, shaped up in Araskog's mind back in 1976, when he noticed a common theme in the business plans he was reading from the European companies. "They wrote that they were limited from this area making — is a necessary counterbalance to the flefdom and that area, that they had to concentrate on public switching, that they couldn't go into private communications and so which meets regularly in Brussels and which, in the presence of Araskog and a on. It was in every plan," be

The rigidity of a management structure dominated by product line was also preventing neces-sary flexibility in R and D and in the labour area was creeting conflicts for country managers, who bad to deal with the political problems caused by, say, a plant shutdown ordered by a product line manager in

Today, in essence, SEL is running ITT Germany while STC, which Araskog also decided partly to sell off in another move to strengtheo its national character, is running ITT Britain, BTM runs Belglum. STK runs Norway.

"All these companies are equal now to the size of ITT in total at the time that Harold Geneen took over in 1959," says Araskog. "They are powerful organisations and we are try-ing to treat them that way." The only big exceptions to this thinking are in the pump group, where the best known member run from New York, and the motor component's group. This



also run from New York,

although its strongest oper-

ational element is Alfred Teves,

the West German brake com-

alisation of its remaining tele-

communications business in

The third part of the strategy

more broadly based decision

approach of the second. An example of it would be the

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nical Managers, London, January 27-29. Fee: £375 (plus

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**Business** 

courses



of ITT Europe's sales and makes telecomms equipment, motor parts. hathroom fittings, semicon fasteners, pumps and Leitheit kitchen gadgets; also has an company, Transact tische. Master company is Standard Elektrik Lorenz (SEL). semiconductors, systems; "also" has Abbin Life and Excess insurance group phone and Cables (STC). 3. Spain: makes telecomens equipment, TV sets. 4. Italy: makes telecomms equip ment, motor parts.
5. France: makes telecomms equip

West Germany: has 36 per cent

ment, motor components. 6. Scandinavia: makes telecomm ioment, industrial pumps. Benefox makes telecomme equipment, consumer appliances industrial heaters.

stamped with an ITT logoprobably what ITT needs in the notoriously unprofitable and 1980s, but it does not alter the insecure way to do business, fact that the European landalthough something ITT says it scape continues to look hilly. needs to do to round out its Nationalism in telecommuni-TV product offerings to dealers. cations and political vagaries in It is significant though, that the flow of capital to the tele-phone authorities will continue ITT is choosing to stamp the ITT logo on its audio equipment. The reason, says Guilfoyle, is that the company's market research shows the to create unease in ITT's switch husiness and at the broader,

EEC level, IIT feels it could

in the U.S.

ing System 12 within

lie ahead, Outside of TV, ITT

is selling at the more expensive

German-made

still have some problems from name ITT in Europe is asso-ciated with quality and high things like the tougher proposals on reporting requiretechnology.
At one time, ITT was cautions Politically, the election of President Mitterand came as a shock—Rand Araskog, for all about using its name in Europe —a product of sensitivity towards nationalism and, perhaps to do with the blackenhis company's experience in Europe, is an uncompromising

ing of the company's image backer of Reagan economics, during the political scandals of and has even proposed drafting a bill of rights for free enterthe early 1970s. Apart from the recent conprise in case a leftishly inclined viction of four ITT Austria Administration ever took over executives on bribery charges, in a case dating back to 1975, Araskog is confident he and his The loss of ITT France will certainly be a blow, even if ITT, as it hopes, persuades the French to continue manufactur-

flushed out any problems of that kind. It is a sign of the times that ontside Austria, this story attracted very little attention. The times, like ITI, have

specially appointed "corporate

policy compliance officer" have

Two previous articles on IIT appeared this week on Tuesday, page 12, and Wednesday, page 9.

pany, which has in the last three years been able to use its experience in European front to develop a global communications industry strategy is per-haps the most essential and difficult part of ITT's long-range planning. It means bringwheel drive cars to seize from scratch 30 per cent of the U.S. non-captive brake market. ing the products of ITT's newest major companies, Courier and Qume (which make video display units and computer printers) into the European The importance of creating a national rather than a multinational image in Europe—the European companies normally remit half their earnings to New market, but even more important pooling research ideas on the software development which ITT sees as the key to York—is something which ITT has learned through bitter experience. Indeed, this experi eace is continuing today as the the communications market of company negotiates the nationthe future.

perennial frustrations. As the company moves to electronic telecomm switches rather than electro-mechanical, it needs many fewer people and facili-

says are for him the key think

tanks of the organisation, are

also closely connected with element four. Cross-fertilisation

### Surplus

In Britain, says Guilfoyle, STC has done well, although nationalised 'company. Even in the consumer products business, so recently pulled from the fire, problems couple of other top New York executives, thrasbes ont a worldwide policy on telecommunications.

Such forums, which Araskog and a couple of other top New York executives, thrasbes ont a worldwide policy on telecommunications.

Such forums, which Araskog and a couple of other top New York 1TT \$150m in the last four years, part of a \$350m global charge taken for "technological restricturing." In Spain, however, ITT, like inany others, has had little success. Europe-wide lay-offs have cost end of its product range (audio bad little success. Though the workforce is now 16,000, says and home computers) Japanese and Araskog, 3,000 are surplus to requirements. "At the end of this decade we are going to have to be down to 7,000."

Ultimately it has to be a disaster for the company, which, because of Spain's generous export credit financing, is one of ITT's most important export bases, in common with the companies in Belgium, Britain and Norway.

This pragmatic blend of concern for the corporate bottom. line, desire to appear above all a good national citizen and struggle to produce global strategies where ncessary, is

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# THE ARTS

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Print to the

# Darling Lili

by NIGEL ANDREWS

Lili Marleen (AA) Prince Charles Light Years Away (AA)
Camden Plaza

Taxi Zum Klo Screen on the Hill, ICA So Fine (AA) Warner West End and elsewhere

In Lili Marleen Rainer Werner Fassbinder, perhaps the cinema's greatest image-maker since Visconti, bas built a aturm und drang romantic melodrama around the famous wartime song that hopped between frontiers during World War 2. Since the movie'a Berlin opening last spring European critics reared on the ancient untruth that cinema is a nurseling of our literary heritage—the novel and the play—have swooped in wrath upon the screenplay, cowritten by Fassbinder, Manfred Purzer and Joshua Sinclair, decrying its wayward dialogue, its "ambivalent" attitude to the Third Reich (to wit, it doesn't offer another glibly redundant fulmination against A. Hitler and Co.) and its wacky narrative shutlings betwene Hitchcockian suspense and doomed romanit-

Bu ignore the brickbats. The greatness of Lili Marleen lies in its quality as a giant kinetic painting. The movie image is the message, as Fassbinder charts the career of his heroine "Willy." played by Hanna Schygulla, the film's slinky-vamp approximation to real 1940s Tentonic songstress Lale Andersen who powered "Lili Marleen". to fame in war-torn Germany. (And later watched its sultrylifting cadenzas move Westward to be taken over by Marlene Dietrich husky-throating it for

the Allies). . Schyguila plays the rags-to-Reichstag warbler as a rose-cheeked siren whose crimb-tofame and later fall-from-grace follows the parabola of Ger-many itself. Plying her bittersweet song, Willy soars, to the heights of Fuhrer-favouritism, showered with furs and flowers and a sumptuous villa, and then . watches her career slowly unravel thanks to an incautions. romance with a Jewish com-

Milan opera-2

of the major confinental opera:

houses, an obvious lesson is to

annual monies always arrive in some tantalising degree of tardiness and confusion) is: at

least by Covent Garden stan-

dards, handsomely subsidised;

and its cartelloni of recent

seasons prove the point.

The film wraps this simple tale of love and country worldly kudos and soul's corrosion, in a glorious explosion of line, colour and movie expressionism. In a pale early spectrum of golds and pinks and greys, only the blood-red of the ubiquitous swastika flag stands out But then slowly Fassbinder allows the colour to spread—into Schygulla'a lips and sweater, into scarlet flowers strewn in the foreground of smoky cabarets or palatical Nazi offices. At the movie's close the colour cycle comes full circle. The garish ones drain away as Schygulla's career is broken on the wheet of Nazi tyranoy,

of decay. Other figurations of Fate lom forth in this richly-coded Gotterdömerung. In the film's early chapters, the light of table-lamps and street-lamps is deliberately lens diffused into cross shapes so that, a frontier meeting between Schygulla and Giannini, forested with atreetlights, becomes an eerie-luminous Calvary. But later Fass-binder's light-diffusions become five-pointed and diagonal, changed to a stellar emblems for our beroine's sudden eclat into stardom.

itself showing the first cracks

These signpost symbols for the mind's eye are only part of Lili Marleen's expressive splendour. Fassbinder makes every setting not just tell a story but virtually forge a myth: from the very splendour of the Art-Deco Reichstheatre where Willy gives her pinnacle-of-fame per-formances to the rain-sleeked streets where raincoated resistance fighters scurry between the shadows. And if the panopoly of lush tracking shots. making Lili Morleen a spider's web of arabesque and sinuous and pregnant-pausing. motive; pay homage to -Fass directorial idols Sirk and Ophuls, there is also in the film the steely mischief and Schygulla and Giannini (be understands her motives at last,

Sciarrino

appeared that the wages of of frail motivic fragments, adventurousness do not always much repeated and oddly have to be box-office death.

Vonitus; and, at almost an ing near-inaudible literary hour's duration, it proved too fragments in various languages)

The first half was Sciarrino's lyricism; while a singer utter-

amord to range more widely run, played to a large and ness light falling on their bands and audaciously than those bappily attentive audience, it only, their business the tracery appeared that the wages of of their business the tracery

long and too unvaried in its slow pace; but for much of the

surrealism, and therefore to

this page); in the opening form it charges itself with un-month of the current season, a folding a series of images at

smaller but no less pertinent once visual, theatrical, and

example of Scala thinking came musical, images properly

at the Piccola Scala, which belonging to the world of

of a kind none of our own the half-world of dreams given

Jewish refugees across the letic turnings of the bead—the German-Swiss border. letic turnings of the bead—the hilltop scene between Paul hilltop scene between Paul Newman and Julie Andrews in Torn Curtain.

Lili Murleen confronts an evil society by daring to look it in the eye and gaze on its gaudy. once-rampant charms. If the film's Nazi knees-ups seem perilously close at time to Mel ·Brooks, it's because we dare not think of the totemic villains of yesteryear — dummy-comforters for ua in today's moral jungleactually enjoying themselves. Like Mephisto, Lili Marleen shows us the human-all-toohuman face of Nazism. But unlike Mephisto, a roundelay of hindsight outrage coaxed not always persuasively from the pages of its original novel, Lili Marleen is a film through-andthrough: born from the medium and alive with its wonders.

Light Years Away, by cootrast, is merely fidgety with enigma. Swiss director Alain Tanner—of The Solomander and Jonas—has taken British thespians Trevor Howard and Mick Ford to remotest rural Ireland to shoot a fable about a boy who mysteriously apprentices himself to a prophetic old codger. The codger is Howard, he lives in a car-dump and he is building, it eventuates, wings wherewith to fly. Celtic twilights are on round-

the-clock service in Tanner's pastoral - primordial never-land. They limn an age-less backcoth to the derelict cars stacked-up like old beetleshards, the broken-down cottage io which Howard lives, the solltary rusty petrol-pnmp that Ford manfully maos. Occasionally the youngster is fed by the oldster, who hails froth with a chicken sandwich and a runic cry, lending his craggy, fissured face to much delphic dialogue

The film is a portentous parable of faith and discipleship that bas little life or substance beneath the Celtic eyeblink apocalypse of Hitch-cock. A scene of sudden-awakening reunion between all out for delirium and disequilibrium, might bare fashioned a demonic folie de poser (Giancarlo Giannini), the sho his) mimics—even to its grandeur. But windblown gay conventionality. An trousers son of a Swiss-based anti-Nazi studio built grass-knoll, blue romanticism shot through with inveterate "cruiser," he tussles makes I (Mel. Ferrer) who is trafficking rinse twilight and sudden bal- the Swiss prosy-precision of with the monogamous domes- Jonson.

Vanitas and Variété

by MAX LOPPERT

be drawn: those with large Mauricio Kagel. At a per-celfist (seated above on the was of patience, and often candy floss, and some of the stage itself) sit in near-dark-absorption, not lnattention ripest theatre-band cliches in

aod a company of mimes coact

the strikingly fluid tableaux

Premieres by Nono, Berio, way I found the experience a that well up out of darkness—a decors were by Pier'Alli; the over stage company and and Stockhausen bave been compelling one. A self-declared moonly window, a rose and its players, musicians and mimes audlence alike. What is this notable (and duly reported on nature morte in musiciheatre vase, a large descending clock, alike, deserve the tribute of out concert-spectacle "about"?

a doll gradually broken up, and

in so much avant-garde art, on

the individual willingness of an

From the recent repertoires world premiere by the Sicilian into the front of the stage plat- rathe than clear signposts, is the eight-man band (including

form, its closed lid level with ever

(b-1947), and the Scala salute the stage floor, the orchestra most of the course the feeling Kagel's bittersweet score, a

audience-member to explore the was a more luxurious tribute-



All hail to the knockabout candours of Frank Ripploh's Taxi Zum Klo ilit trans Taxi to the Loo!; a bristling, fuony slice of sexual auto-biopic by a homosexual Bertin ex-teacher who has suddenly, on this movie's sole strength, catapulted to fame on the film festival circuit. .

As I reported from Cannes it's a charabanc, or more accurately share-a-bang, tour of German gay life, with Ripploh himself as the liero, a bearded Don Quixote tilting at the windmills of anti-gay prejudice and

risky request,

being named Individually. so on.

Dominic Gill wrote here at taneously: a houquet of simple
In summary description it all leogth about tagel after the thrills simply presented; an

sonds the very stuff of Pseud's London Sinfonietta birtbday image of popular theatre caught Corner; and the dependence, as concert last mooth. As put on by and distilled through the glass of a rare and particular theatri-

audience-member to explore the was a more luxurious tribute— out in public, which yet left private parts of the creator's a delight, and, on several behind the strangest after-glow

was of patience, and often candy floss, and some of the absorption, not lnattention ripest theatre-band clichés in

(something an Italian audience the book, a circus troupe and a advertises with much less reluc- magician with his equipe go tance than those of northern through their paces.
countries). Certainly it seemed in the product of a hyperenthralled succession clowns.

refined. if inevitably rather snake-charmers, trapeze artists,

limited, creative imagination, and a mogo (Silvan) who curiously vivid in its visions exerted beyond the pleasures

and delicate in their capture. of his death-defying routines, a

The exquisite production and peculiarly sinister command

the Scala, Voriété (1976-77) of a rare and particular ibeatri-

Taoner's style-compositions as ticity of his lover (played by flat and four-square as giant Ripploh's real-life consort postcards—produces a cinematic Bernd Broaderup), tangles curate's egg and an addled one with the expected quota of amorous diseases, and tiffs with school officials whn draw the line at teachers coming to class en travestie. Taxi Zum Klo is a cheerfully ramshackle package tour of how-the-other-half-pleasures-itself and a lively hlast for psycho-sexual sanity.

> The only blast needed in Andrew Bergman's slapstick shipwreck So Fine is an earlywarning siren encouraging film Ryan O'Neal is the university professor who splits his trousers, patents see-through leans and thereby saves his father Jack Warden's alling clothing business. trousers-and-pratfall comedy. It makes Brian Rix seem like Ben

Young Vic

# John Mortimer's Casebook

by MICHAEL COVENEY

John Mortimer rests his case dismissed because of the years ago, later unsuccessfully In the form of three short plays wrapped up in the device of a prison concert party, an exploitation of the audience participa-tion (or alienation) technique see Nigel Hawthorne and John only marginally less embarrassing than that practised by John Osborne in A Sense of Detachment. He gets away with it, just, on the grounds of his ingratiating charm as a deft stylist of dialogue.

The most substantial place is performed in the year of Pinter [1958]. An ageing barrister, Morganiali, has at last and by accident obtained a defence client, the hapless wifemurderer Fowle. These two studies in failure are put through a series of role-playing charades in the shadow of the hangman, only for the case to be

barrister's incompetence. Admittedly, the charm of the

play is now bordering on the Alderton playing it for all it is worth, wringing true laughler and some pathos from their partnership in crime. On learning of Fowle's reprieve, Hawthorne reels backwards in a state of comically cataclysmic disbelief, gently patting Mr The Dock Brief written in the Alderton on the arm for his no year of Osborne (1956) and first doubt tactfully intended appredoubt tactfully intended appreciation of dumb courtroom tactics. And Alderton'a Welsb, bespectacled criminal discovers his true vocation as he warms to the task of impersonating his adversaries, the indge and the

jury.
The Prince of Durkness was part of the Heaven and Hell double bill at Greeowich three

extended for West End consumption. I am not sure that the gay vicar jokes are either funny or eveo usefully topical. but the central notion of religion with no place for sin is given a neatly atheistic beating. Alderton is the rector heavily committed to the interdenominational gay front. lsabella Knight his perversely asexual wife and Hawthorne the demonic curate with a miraculons touch.

It is all cleverly directed by Denise Coffey and simply designed on a sloping thrusi stage by Bernard Cuisbaw. The new curtain-raiser, Interlude. sets a breezily absurdist tone for this "look at the caring professions" with Alderton and Hawthorne spiritedly enacting a medical examination in the form of a nightmarish pantomime.

# Slips by rosalind carne

creation is a bizarre and wouderol compilation of images out of fairy tale, myth and individual trauma. This is by no means all, and the company could be accused of incoherence, were it not fur the crisp disciplice of their presentation. Writer David Gale and director Hilary Westlake will no doubt have a key to the labyrinth. But an overriding virtue of the piece is that it never quite explains itself. Almost frustrating, if is also intriguing. Humour arises at unlikely moments and there is oothing predictable here.

Students from the Wimbledon School of Art designed and made costumes and set, and their work is staggeringly good comic, satiric, plush and Millward has written a most

choric booms, electronic twangs and hurdy gurdy.

So much for praise; description proves a greater problem. A yonog woman-io white meets the Queen, wins a free ticket to Latin America, and there she stays. Switch to dream sequence exaggerated Victoriana. Tightly curseted Women and starchy men knit mufflers with porcupine quills, and talk about sleam ships, evolution and physiognomy in the clipped Latinate language of a constipated 19th century novel. They send their child, a doll, out into the world on a peony farthing bicycle upbolstered in red velvet with curtain tassels.

Like Pinocchio, Dolly wants who turns into a posh lady, a art of a high standard.

Lumiere and Son's latest evocative seore, notable for its bit like the Queen. Satyrs reation is a bizarre and wouder- choric booms, electronic twangs pursue her and expose ber sexual nullity. She carries a lion on her back till he drops dead, but his magic ruhy turns ber into a real girl. After an encounter with a snow king, she drifts on to Tuyland where she sells stolen lemonade and is courted by an extremely jerky policeman.

Buck in Latin America, snatches of the dream return around Dolly/Mary's Christmas tree. Four friends arrive. nostalgic for England and open their disappointing presents: but Mary suffers the worst trick of all. The ending is a horribly familiar nightmare to the average paranoid. Despite some reservations about excessive esotericism and iocoherence in Composer Frank' to he real. She meets a witch part two, this is performance

### Festival Hall

# The Nutcracker

Before the Christmas decora- some of the performances that Twelfth Night, I felt impelled to look at that ancient bauble, ill-lit concrete pedestrian areas

The production itself looks immature and insecure when from their dancing. more and more care-worn, and big technical guns are needed.

tions finally came down on bang about the party scene in an adorable way with her the first act have strayed from dances; she is a beautiful girl Mr Vincent Crummles's troupe, with a heautiful smile, and she The Nutcracker, as it hung at not least the over-size and over-presents the Suga Waterloo. Nothing festive about active Fritz of Jean Louis tion with sweete its setting amid the glum and Cabane, yet Miss Calderini and the prettiest airs. Mr Bellezza play their roles that surround that cluster of with such charm and innocence —a great odvantoge for these dungeons we call the South that we can still believe in the roles—and they engage our Bank, but attractive perfor—Hoffmannesque intrigue. Their sympathies; their style is attrac-Bank, but attractive performannesque intrigue. Their sympathies; their style is attractionances from two Roman dancing—in the short scene tive, unfussed; what is now recruits to Festival Ballet, before the snowflakes descend, needed is that technical encour-Renata Calderini and Maurizio and in the final grond pas de agement which will not take Bellezza, last night.

and in the final grond pas de agement which will not take deux—is appealing, but seems the bloom of youthful grace

presents the Sugar Plum varia-tion with sweetest grace and Both artists look very young

Miss Calderini, though, bas

CLEMENT CRISP

# Elizabeth Hall

# Brahms by Andrew Clements

With a programme of Russian -might have given this recital the original clarinet versions. song by Elens Obratsova at the some sparkle; it proved a never achieved a convincing Wiemere Hall last night can-worthy, unsmilling sffair, demon-parky, nod passagework thrown Wigmore Hall last night cancelled without notice or exchange of artist. An all-Argentakeo by Linda Finnie. Miss uncertaio of tempo and occasionbeen a captivating Covent Gar- been designed to show that the songs Op. Et with viola obbli-

den Cherubino io recent times works present themselves hest in gato.

strating that programmes which off easily on the wind instrulook balanced on paper some ment became a distracting placation, a dash over to the times turn out rather dif- hurdle on the viola; there were placation, a dash over to substitute the substitute of artist. An all-Argen- Miss Finnle's partners were line was low lying. Mr Portugues and shells' subdued, sometimes of Brahma should have included the pianist Alberto Portughels, underpowered playing had not the mezzo-soprano Margarita sod the core of the concert was helped Miss Finnie's sombre, Zimmermann; she was indistinct their accounts of Brahms' two rather monochrome presentation posed, and her place was viola sonatas. The performances, of the Four Serious Songs Op. 121, and she gave a better Zimmermann's talents-she has ally of intonation, might have impression of herself in the wo

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Nothing and many things simul-

cal mind: a huge joke played

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### ACROSS salute (5) 4 Grave indication of a leader's

1 Bill may need Tom to do this

(4, 3, 7) 10 Left part of church to fall from the faith (5)

II A bird with a beak having the end pointing upwards (5-4)12 In this manner religious

ceremonies become syllogistic argument (7) 13 Spotted cleric holding fruit 14 Unit of the Marines? (5)

16 Supply too much on account of children 191 19 Flag in front of chief Scot- 17 What school-children look tish-seaport (9) 20 One more former art

23 No slim guide-leader needs a trifie (7) 25 Pigeon fancier to follow (7) 27 Travel around, but at home in repeat (9)

returned (5)

28 The third string of the lyre is worm out (5) 29 Beethoven and Mahler completed theirs, but Schubert didn't (6,.8)

DOWN 2 Defective and tense (91 3 Soldiers get around to 

# F.T. CROSSWORD PUZZLE No. 4,766

mood (9) 5 String of a musical instru-

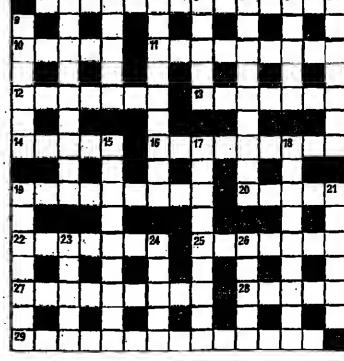
ment that was lost (5) 6 Raise pack at random and demand payment (3, 1, 5)

7 A net work to interrogate 8 Without issue to accommodate in a big spot (7)

9 Lose a little weight outside a little room (6)
15 Gaiety? Sounds like Robin Hood's band with them initially (9)

Solution to Puzzle No. 4,765





forward to could be one tbousand (3, 2, 4) 18 Place in employment (9) island (7)

dead (61 23 Restraining some of nasty ingredients (5) 19 Hanging birds on French 24 A drink for a bad conductor 21 Joined everything that is 26 Nick is not with church (5)

Which one

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Friday January 8 1982

# Lucid case for doing nothing

THOSE WHO are used to official regulations are in for a tem of personal taxation. pleasant surprise if they decide to read the Government's new Green Paper oo corporatioo tex: it is admirably organised and heautifully clear. Aoyooe wanting to get a grasp of most of the issues involved (hut not quite all, as we will see) oeed look no further. This is ao unusuel merit in a government paper and deserves a bouquet before any less favourable comments are offered. Unfortunately, they are needed.

The present system of corporation tax for which the Government, rather surprisingly, ctaims the merit of simplicity, is the product of many years of emergency patching up. As might be expected from series of debatable compromises erected on a basis of messy principles, it is a ramshackle structure. It is heavily biased in fevour of manufacturiog iodustry-as the Green Paper shows, the tax burden on manufacturing under the pre-sent system is some 70 per cent less than it would be on e basis of current cost accounting-aod especially io favour of investment io plant and in stocks.

### Alternatives

It also yields very little revenue. Meinstream corporation tex, apart from the North Sea. provides only about 2 per cent of government revenues. (The Green Paper inflates this figure by adding in advance corporation tax, which is simply wrong. ACT, whatever its name, is simply part of personal taxa-

The case for reform might therefore seem overwhelming; reaches on set cooclusioos, examines all the alternatives it bas chosen to review with a jaundiced eye. Curreot cost accounting is regarded, with some justice, as too subjective to offer a basis for texation. The legal battles which might would benefit nobody, except the lawyers.

Other, less subjective forms of Inflatioo accounting are exusual suspicioo of indexation. More radical Ideas, such as the

ing insoluble houndary probwrestling with lax forms and lems with an unreformed sys-

> This argument, which can be summed up in that well known bureaucratic slogan, "this is not within my terms of reference." is one of the two fundamental arguments for a standstill in the paper. The other is summed up in a brief and uncharacteristically illogical passage which argues, first, that it is undesirable in principle to protect taxpayers against infiglion in case they leern to love it, and, second, that in hard cases they have to be protected eoyway. Hence we have capital allowances and stock relief instead of inflation accounting, and Rooker-Wise in place of tax indexation—and indexed government debt dries up as soon as it proves

### Difficulties

these two difficulties-equity individual and corporate taxpayers, and distortions arising from inflationwould be radically different. The first is thet if a logical corporate tax system clashes with existing personal tax: wa need a wider review.

ment .does not seem to .understand · the . difference · between protection and distortion. No system can protect taxpayers from inflation; but, when the existing system. diverts resources into excessive investment in stocks, plant and owner-occupation, and then owner-occupation, and then produces exaggerated agony when treods turn adverse, we suffering self-inflicted wounds. The case against logithe Green Paper, while It cal reform is not well fonoded.

### Two issues

in order at tbis early stage. First, it is a sad reflection on a decade of effort that we have a system of inflation account-ing which produces only subjective figures. The Treasury, which left the Sandilands committee lo oo doubt of its own deep dread of iodexation, must amined with the Treasury's share the hlame. Finally, a comprehensive review would surely give more space to two Meede committee's proposal to issues-European harmoolsatax companies on the hasis of tion, and the taxation of capital cash flow, gains—which are passed by with whether decominated as income scarcely an emharrassed nod.

# The Spanish

and the Spanish mainland.

It is Spain that bas kept them locked since 1969 in support of its claim that Gibraltar, ceded to Britain ln 1704, should once more be Spanish. If Sr Leopoldo Calvo Sotelo, the Spanish Prima Minister, in his talks with Mrs. Margaret Thatcher at Downing Street, agrees to re-open the gates, he will be hoping for compensation in two very different fields: aome British coocesaions on Gibraltar, where he is under strong pressure from bis own unruly netionalists; and British backing in the bogged down talks for Spenish membership of the EEC.

# Democracy

As long ago as last April Britain agreed that, once the gates are open, it was ready to diacusa all aspects of the future of Gibraltar. Implicitly that includes the future stetus of the Rock. But Britain has given a firm undertaking not to change that status against the wishes of Gibraltarians That is an undertaking Britain is in honour hound to obey.

Spain could belp its own standing among Giharltarians by restoring contact with the Rock and hy demonstrating that its young democracy has the stamina to survive the repeated democracy among the Spanish challenges from admirers of people. General Franco.

Sr Calvo Sotelo has been dis- Problems cussing the prospects of his application for membership in the EEC in Brussels this week, and will do so again with Mrs Tbatcher. He bopes for a more sympathetic ear than be might get in Paris, Rome or Athens where the competition of Spanish fruit, wine, early vegetables and, above all, olive oil is feared.

# Obligation

should become a member on proved awkward enough. January 1, 1984. But no pro-

Spanish membership.

ing one of the absurdities of aihle reform of the Common Western Europe, the locked Agricultural Policy must be iron getes barring the narrow resolved at least in outline strip of land between Gibraltar before progress can be made with Speln. That recognises the practical difficulties in the way of what in purely political terms is desirable.

Spanish point of view.

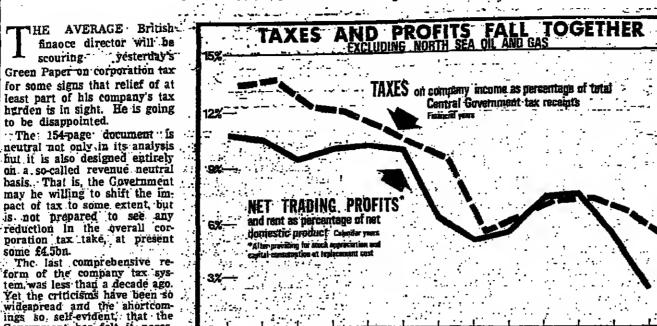
General lip service bas heen tedly more volatile and less rendered to the idea that Spain developed than Spain, has

If the Community is not to gress of any substance has been be drawn into an unending made. The Ten are aufficiently succession of problems re-disagreed about how to tackle quiring first aid, it must make their existing problems without a firm effort to put its own wishing to add those raised by house in order. Only a firmly haaed Community will he in a

CORPORATION TAX

# The £4.5bn patchwork

By Barry Riley and David Freud





Government has felt it neces-

sary to go back to scratch. Yes-

terday's Green Paper on cor-

poration tax examines every

There are a number of

with the present

reasons why companies are dis-

● It does not ellow in any con-

siatent sense for inflation. In

particular, finaocial companies

fied themselves being taxed on

Allowances against taxation are generous, but often cannot

be used. The current overhang

of tax losses is £3000 and is

rising at the rate of £5on a year.

The system promotes artificial

schemes to avoid tax, especially

through leasing which is used as e means to transfer invest-

• Widespread "fax exhaustion"

meens that the system is not

dends often incurs a 'tax

In the last decade there have

been at least two periods in which untenable tax demands

from the Government have

threatened to creete serious

financial problems—and each time the Government of the

day bed to hurry through nd hoc

legislation to avert the blow.

It was only as recently as

1965 that a separate corpora-tion tax was introduced in the UK. Until then income fax was

charged on the earnings of com-

panies and unincorporated busi-

nesses alike, although there was

a separate "profits tax" intro-duced in 1937, originally to

fioance rearmament.

The Labour government's

1965 legislation set up corpora-

tion tax on the basis of the

classical system (see hox). This

was heavily criticised hecause

of its inberent blas against

tax efficient to reinvest funds in a company even though

dividends carry a tax credit

illusory profits.

ment incentives.

penalty.

conceivable option afresh.

Our own conclusion from

. The secood is that the Govern-

Two further comments seem

BRITAIN and Spain today make how to restructure the Com-yet another attempt at remov-munity hudget and about pos-

The Ten are under some obligation to involve Madrid in their discussions. It would be useful to ensure that Spain is promptly informed about the progress the Community is making with its internal problems. The Community abould, wherever appropriate, take account of the

Spain, too, has been obdurete during the initial sparring. The discrpenacy between high Spanish and lower EEC tariffs sufficient to have reduced the value of the existing pre-ferential trade egreement. The Spanish negotiators bave shown little willingness to recognise that nor bave they given ground to Community demands that, from the day of eccession, administrative and tax barriers to EEC industrial goods must disappear.

Within Spain itself the business establishment has been having aecond thoughts about the EEC. Initial enthusiasm has given way to a more protectionist view. It is the democratic parties that are pushing bardest for membership, hoping thereby to improve the standing of

It is here that the cases converge for trying to accommodate Spain as far as reasonable over hoth Gihraltar and the EEC. The Ten do bave an interest in strengthening Spanish democracy. A similar case was made out for Greek membership.

But there is no denying that the Community is in particularly poor condition to digest a new member. Greece, admit-

France has let it be known position to cope with the mani-that the current argument about fold problems of enlargement.

were big adjustments in the capital markets as the relative attraction of equity anance graw and as it became cheeper

considerably reduced. There

o pay dividends. Complaints from companies have built up, however, since 1973 over the way in which the system has made UK earnings more attractive than overseas cannot be offset against Advance Corporation Tax. There have been several instances of companies with high overseas earn-ings taking over UK concerns simply for this tax reason.

- But these criticisms pale into insignificance against the ravages caused by inflation. It is all very well to tax nominal working as it was designed. In bistoric east profits at a 52 per particular, the payment of divi-cent rate in a non-inflationary climate. When inflation is running at between 10 and 30 per cent, much of the historic cost

orofit is illusory.

Over the years the authorities have reacted to this problem by making a series of ad hoc adjustments to reduce tax bills. And in the process they have shifted the tax base far from reported pre-tax profits. The two most important adjustments bave been capital

allowances and stock relief.
Notionally capital allowances are intended as an incentive for capital iovestment. Any concern which spends money on a pièce of capital equipment can set the full amount against its income for tax purposes, even though the depreciation for a single year charged in the commercial accounts would be only a

fraction. In practice, the availability of 100 per cent first-year capital tax efficient to reinvest funds just as an investment incentive in a company even though but also as a congliand ready there were better investment adjustment for inflation. When opportunities outside. It also prices are rising, historical oost eocouraged excessive horrow depreciation is madequate to ingrather than equity funding, finance the replacement of because of the tax relief on assets interest paid.

In 1973, the Conservatives in relief, has had a far less easy troduced the present partial ride. If was ampunced in imputation system. Under this something near panic in 1974, when the company sector was evailable to individuel share- going through e liquidity crisis holders. The amount of double and was facing huge tax bills taxation of company profits was on inflationery stock profits.

### THREE WAYS TO TAX COMPANIES

Classical systems: Companies pay tax at a fixed rate on their taxable profits, whether distributed or not. Shareholders are taxed aeparately nn the dividend, so shareholders are effectively taxed twice. The U.S. and the Netherlands have this system.

Partial imputation system: Companies pay tax at a fixed rate on all taxable profits, whether distributed or not: When a company pays a divi-dend, a tax credit is availabla to the shareholder, in practice at a rate below that of cor-

.. The "temporary" stock relief allowed companies to subtrect from their taxable profits the bulk of the difference between opening and closing stocks in a

This system was a key reason for the dramatic drop in tax paid by companies through the latter part of the 1970s. It was open to considerable abuse. since companies could maointilate their stock levels to reduca their tax bills. ...

The recession brought to light aoother shortcoming of the

Home and industrial and co

36 per cent, with an additional withhielding tax of 25 per cent of dividends, years companies have been forced to implement heavy cuts in their levels of stocks. This threatened to bring into effect buge tax demands through clawback" of the relief already given, and e year ago the Government had to hurry

through a reform to prevent

poration tax. France, tha UK

Canada and Italy use this system. In the UK and France the shareholders'

liability is settled by the com-

pany through Advance
Corporation Tax or

Full imputation system

(two-rate): Applied in West

Germany, where the tax rate

on retained profits is 56 per cent and on distributed profits

precompte.

demaods. So whet we have now is a petched-up corporation tax system. If the Inland Revenue wanted to change over to a coherent system which allowed In the last couple of proper adjustments for inflation

# EFFECTIVE RATE OF UK TAX\* ON COMPANY INCOME

. Percentage figures, average 1976-80

. •	Historical	Current cost basis SSAP 16
Total corporation tax Excluding ACT	25 15	
Financial companies	:	
Total corporation tax . Excluding ACT	30 25	40 30

overseas tax suffered in excess of such relief) plus income tax deducted from investment income, less corporation Texcludes those trading mainly overseas and in North Sea oil and gas. tha only nne readily available would be current cost account-ing, already embodied in the accounting standard SSAP 16. A large part of the Green Paper is devoted in an analysis of the atrengths and weaknesses of

Some of the Inland Revenue's objections to CCA are already well known. The consultative document on stock relief pub-lished in November 1980 made clear that the SSAP 16 cost of sales adjustment would not a practical basis for tax relief, because of the wide variety of price indices used. It would introduce an unacceptable degree of subjectivity into the calculation of tax," said the Revenue at that

The present Green Paper is more thorough and less dismissive, hut It is almost as discouraging to those in the accountancy profession who would like to see CCA given a more central role in tax assess-

industry from ruinous tax This Green Paper deels not only with stock relief-or the cost of sales adjustment in GCA terms — but examines two further subjects, the CCA depreciation charge and the wbole question of monetary items such as trade debtors and creditors, and bank deposits or

The adoption of a CCA depre-ciation charge would, as with the cost of sales adjustment, raise the problem of multiple indices and subjective judg- hurden of taxation to different ments which the tax men find hard to haodle. Whatever the prove difficult to form. distortions ceused by the present system of 100 per cent capital allowances, it has at the present imputation system. least made life gloriously

tion allowable for tax purposes. and the Revenue would be able to lay down schedules of asset lives for various categories of assets.

Much more fundamental signed to allow for the impact comments are requested.

of changing prices on the level of working capital, and the overall gearing adjustment which is designed to allow for the effect of inflation on the real value of horrowings.

For many years the Treasury and the Reveoue were strongly. opposed to any question of the indexing of accounts to allow for general inflation. In the carly 1970s the accountancy profession was prevailed on to withdraw its so-called current purchasing power system of inflation accounting. Then in 1975 the Sandilands Committee promoted a system of current cost accounting which used specific rather than general indices and did not deal with the impact of inflation on monetary items at all.

Subsequently the accomin-ancy profession decided that any system which ignored monetary items would be a nonsense, and the Idland Revenue does not appear to dispute this

However, the Revenue now raises the objection that to introduce indexation of mone tary items in the business sector would be inequitable when similar refree was not available to persons. This could produce practical problems at the margin where sig-employed persons may have the choice of trading either as incorporated or unincorporated

So a relief-of company tax burdens is not in sight here nor en the question of ACT payable on dividend.

As for the overhang of tax losses, far from companies being offered a way of tradising these, they are threatened with an extension of the six year cutoff epplied last year to stock

relief.
In 1979 Sir Geoffrey Howe, the Chancellor, said that it was important that the tax system should reflect the effects of inflation in a way that was "reasonably objective," equitable and simpler to administer." But the new Green Paper is deliberately neutral in tone and does not attempt to set out any very clear path to a more rational system.

The Chancellor made it clear vesterday that the Government would not wish to make major tax changes unless full consultation led to a clear consensus in favour of the change. But the Green Paper is at its most lucid in indicating how the different systems; would shift the sectors, so a united front may

Certainly the Government has no intention of changing from Such a change "would require simple. the most compelling argu-However, other countries bave special rules for deprecia-dding: "The Government has seen no such arguments put forward."

The conclusion must be that if industry and commerce want significant changes either to obtain ACT relief or to allow issues are posed by the two-tier more accurately for inflation monetary provisions of SSAP they will have to lobby very they will have to lobby very 16—the monetary working capi-tal adjustment which is de-up to September, by which time

# Men & Matters

# Sterling service

The Bank of England still maintains three grades of loo for different types of worker, and mounts a guard of pinkcoated doormen—one has an Admiral Nelson hat and a cloak edorned with peacock feathers to keep undesirables from its portais.

But if the Old Lady bas become any less stuffy over the last few years, at least some of the credit can be taken by Brian Quinn, a 45-year-old soft-spoken Glaswegian who took charge nf the Bank's information department in 1977 and is now moving to a new job keeping tabs on commercial banks.

The first man to have Quinn's job, just after the war, was told to keep the Bank out of the Press, and the Press out of the Bank." Since the sterling crisia of 1976—which was partly hlamed on bad public relations in Threadneedle Street - the Bank has sought te make itself

didn't realise that his

Peace In Our Time' paper

more accessible, though it still frowns on journalists ringing up officials for background comment, and has a general aversion to being quoted on anything save perhaps the most anodyne atatement on tap-stocks.

Quint whose passion for Celtic injects the odd footballing metaphor into his dissertations on the money supply, will soon be assisting Peter Cooke. head of banking supervision. He takes over the job on March 1. His gentle brogue is likely come in useful for dealing th the Royal Bank of Scotland-whoever its new owners turn out to be.

The Bank says Quinn is devoting more resources to banking supervision. This applies not only to international exposure—Poland, Brazil, Opec and so forth—but also at home, where financial institutions are starting to nperate in what have traditionally been banking

# Ground for hope

First BPC ... now Oxford United For someone tackling a second survival plan within a year, Pergamon Press publisher Robert Maxwell was remarkahly cheerful when I spake to him yesterday.

Since his personal guarantee of £120,000 to save the Third Division football club from liquidation he says "the phone has never stopped ringing with offers of help." Greater community support

was a condition of the former Labour MP's agreement to take over as chairman of the club which has an overdraft of £150,000 and bills of £50,000 due to be paid in the next few weeks. "No immediate problems

the football to manager Ian

While the team strives for that target, Maxwell intends to continue talks with the local council about a new stadium. Good progress so far," he reports. He will promote the club's

once bigbly-profitable lottery. "I got plenty of experience in that sort of thing raising funds for the Labour Party," he says. And he will try to recapture the family audience being lost to soccer generally because of hooliganism and violence. A section of the ground will be reserved for families, he says, and ways of adding to the after noon's enthertainment will be considered.

No-one buys shares in a football club as an investment these days," Maxwell reflects. "But rewards.

# Unfair exchange

"You're never alone with a phone." Just my suggestion for an advertising slogan which the Portugese telephone authorities might like to employ in entire more people on to their chaotic network. "Try to dia! an office," reports my man with the aspirin and sore index finger, " and before you have got through three of the six digits, you may be plugged into the sort of party line which would deter the most

irrepressible reveller." My exhausted correspondent there now, he says and rashly phoning the speaking nothing insuperable ahead if clock. Not only would the clock the local goodwill and voluntary not go away, but it was joined energies can he harnessed to by a voice claiming that the the tough business lines on number which had been dialled which be says the club will be was disconnected, a weather

recreations and cross his own crossing wires in the same heap of telephonic spaghetti. And mountain-climbing, will leave the football to manage the same heap of telephonic spaghetti. favourable. I gather, you even Greaves. Promotion to the stand e chance of picking up the Second Division is whet wa radio news and sport as well. You can bang np as often as

you like—your faceless friends will still he there when you pick up the receiver once more. So what then? With a bit of luck, you borrow aomebody else's phone to report that your own is out of order. After no more than an bour or so, you may get through to complaints assuming the commandeered line does not yield to the same sort of mating urge which afflicts your own. Complaints, needless to say, is engaged or just not approximate the commandeered same and the commandeered same and the commandeered same areas just not answering at all. The reason for all this is apparently, the beavy rains

which have poured down upon the country after a year-long drought. For the farmers, the downpours are salvation from ruln. Less bappy the urban populace except, I suspect, the if the whole city takes an in-lonely hearts, who are probably terest, it could gain great rather enjoying themselves.

# Dangerous age

I regretted some time ago in these columns the demise of "Dark Horse," the house magazine of Lloyds Bank which won tiself a place in history with a definitive study of paper-cluip usage in office situations.

I only wish L hadpaid equal

attention to its classified advertising columns, if a clipping sent to me by Mr R. Uearce of Birmingham is at all representative of the general tenor. The advertisement, under the "Wanted" heading, reads
"Potennal managers are re-

quired for City bank. Persons between 25 and 30 with 40

years' experience. Box XXX."

Merlin?

Observer

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# This is the first time I have seen an economy that was working extremely well being systematically dismantled. It's a textbook example of fixing something that was not broken?

THE TWO kinds of economic thinking summarised in these statements lie at the heart of the debate that is currently raging in France over the new industrial policy being ushered in by the Socialists. On the Left stands the interventionist camp clustered around President Mitterrand, firmly convinced that the guiding hand of the state is needed to propel the country into a new age of full employment, high technology and increased leisure. On the Right are massed the so-called beauty constituents the missing the contraction. liberals, preaching the virtues of the market system. French specialisation and industry whose hands are free to respond to the dictates of international

The question the Socialits have to answer with their new industrial policy is essentially the one posed by the American businessman: why redesign an economic system that is in good working order, that has carried France through the oil price crisis better than most of its rivals, and that has established the country as the world's fourth or fifth ranking

The Government's response to these objections is best summed up by M Alain Boublil a bubbling 36-year-old guru oh industrial policy who is now firmly esconced in a wing of the Elysee Palace. M Boublil does not deny the achievements of French industry under conservative governments over the last 20 years. But he argues that it has missed a crucial

turning point that can best be remedied by state intervention. "M Boublin's analysis is based on: what he regards as a vital change in the trading environ-ment in the mid-1970s. At that ment in the min-1970s. At that time, he says, two important phenomena emerged. First, the internationalisation of trade unleashed in the 1980s reached a reasonable degree of maturity imposing fresh competitive standards; secondly

the electronics revolution began

to make a deep impact, putting.

The combination of these two factors, he argues, meant a shift from an economy led by

demand to one in which costs and quality have become allimportant. To this extent, he says, the French Socialists are "supply siders." They intend to lean on investment as the lever through which to stimulate both structural change in industry and the latent demand for constitute and the latent demand for competitive products.

across the full range of industry-

"Ten years ago, all, you had to do was to build a factory and the demand was there. Today, you have to supply at the right price. This is what the Japanese bave realised."

Acording to the Socialists, the weaknesses of the last Govern-ment's policies showed up in ment's policies showed up in two particular areas the dramatic rise in unemployment (now standing at 2m), and the steadily deteriorating terms in France's trade. Indeed, far front ignoring the issue of competitiveness, as their opponents sometimes cleim. Socialist planners are alarmed by the signs that French industry is merking time. They point accusingly to the gradual increase in foreign penetration of the domestic market, and the consistent failure of French compenies to increase exports to sophisticated industrial countries. This trend is seen as tangible evidence of a steedy stagnation in product quality and competitive

The key to breaking this circle, they say, is not to cut and trim like the last Government. What is needed is a more positive response to develop new products, modernise pro duction methods, develop better machine tools and so on. Hence the enormous boost that is being given to the research budget (rising this year by about 30 per cent), and to funds for industrial investment and training.

Investment is the central ments in the presence of the first in this process occause ment's programme. The French dustry for example, says M an unfavourable chimate.

it is here, the Socialists claim, industries which impress Bouhil. "You can make shoes that industry fias failed France foreigners, he argues, are in in old factories, using out-of an enormous gamble: will the

cut thair spending by en average of about 1 per cent a year in the four years to 1980; expenditure went up in only one year -1980-and then dropped sav-agely again in 1981 by 11.5 per

This fall in investment, says

a premium on new reclinology over the last few years. Accord- variably those, such as tele- date machines and tradi- Government be able to get the rug to Government figures, communications and nuclear tional methods. Or you french private companies have power, that are already run by can use computer design, edcut thair spending by on average the state.

> Through nationalisation the sama principle is now to be applied over a wider area of in-dustry. The hanks, accused of progressively siphoning more of their funds into non-productive, low-risk areas like property, M Boublil, explains the failure will he asked to mobilise this of French industry to adapt as idle capital to get the wheels quickly to technological change of industry turning; and the big es its main industrial rivals in industrial companies being the U.S. and Japan. Both of taken into the state sector will these countries created more he encouraged to take a less jobs, totally and proportionally, cautious attitude to new tech-in the latter half of the 1970s—nnlogy.

# FOREIGN PENETRATION OF FRENCH MARKET.

		Source: Nationa	I Statistics Office
Industrial products	17.4	20.5	28.7
Household goods Capital goods Transport equipment	18.5	22.2	29.3
	25.0	26.1	37,3
	27.5	38.7	51.7
Semi-manufactured goods	. 21.9	22.3	28.8
	. 1970	1975	1981
	in percentages		

12m in the U.S., and 3.3m in Japan, against only 500,000 in

But, the American business-What about the be in state hands), special plens for encouraging new industries like robotics, office equipment and microchips, to sey nothing of the space: programme, the telecommunications industry, the TGV high speed train and the electronic telephone directory? By contrast with this activity, the Socialists seem to be driving towards a . job preserving system in which nationalisation is

a talisman serving nothing but

party dogma.

As a result, the Government should be able to ensure that France plunges further and faster into the technological man might respond, what about revolution in strategic areas the former Government's like consumer and industrial ettempts to make French indus- electronics (where 42 per cent try more internationally com- of the country's economy will

> M Bouhlil's second point underlines a radical change in official thinking about the traditional industries—the sectors that the last Government was determined to shake up, even at the cost of exacerbating unemployment. The old policy of byper-specialisation, aimed at concentrating resources on choren "new" technologies. while forcing the traditional while forcing the traditional to play the "liberal" game un-industries to rationalise and reform themselves, has heen

machines and modern methods. If yon do the latter, you can be competitive in France.

The danger of this approach is that resources could be poured-into impelessly doomed companies purely to save jobs. But the Socialists base their policy on a broader view of industrial change than that which teoded to be projected by the last Government Technology, they say, is a tool which is applicable everywhere, not only in the so-called advanced sectors. It is only through additional investment in these decaying industries that they can be hauled up to internationally competitive levels.

This policy shift lies behind the recent flurry of interven-tions issueched by the Industry Ministry to reconquer the domestic market in the leather industry, wood-based manufac-turing, toys and machine tools. More of these projects will undoubtedly follow, based nn a variety of new insurments to stimulate growth. On the demand side there will be new

public buying programmes and attempts to persuade French companies to buy from domestic suppliers. On the supply side, cheap investment funds, often linked to developing the work force, are being set aside, while reearch spending is being stepped up.

Tha clear element nationalistic-even Gaullisttub thumping in these projects has inevitably attracted suspicion from France's trading partners. Indeed, the Socialists make no bones about the fact that they are no longer going aiming to put up trade barriers. M Boublil bas two main thrown out lock, stock and bar But they totally reject the type answers to this line of criticism. rel. There are to he no "con- of de-industrialisation that has First, he says, nationalisation demned sectors" in Socialist gone nn in Britain over the will reinforce the positive ele- France. past few years by leaving

necessary investment to reduce unemployment at a rate that is acceptable to its supporters?

Socialist planners say that between FFr 25bn and FFr 40hn a year (a little under half of this year's planned budget deficit) needs to he injected into investment, research and training over the next five years to achieve their aims. But since the elections, private industry has sunk into a mood nf sulky obstruction in response to the Government's labour-oriented policies and new taxes. This passive resistance from much of the French backwoods

why the Government is so anxinus to push through the Nationalisation Bill as quickly as possible. It needs to start investment rolling in the new state companies by the spring in order to

maintain the growth in the economy which started with the injection of new buying power last summer. If it can create this dynamic current, private industry will join it, exports will he carried along by the next upswing in the world economy, and President Mitterrand can coast bome for his seven-year

. The reverse of this optimistic scenario is the kind of economic Armageddon imagined by the American husinessman.

"I believe that the Government may well fail to take sufficient account of the enormous competitive pressures in inter-national markets as it tries to reorganise industry. Instead of going down, unemployment could go up, the Government will be forced to do things that are diseconomic, and the com-petitivity of French companies will drop sharply. And then there will be no way out; the harriers will have to go up all around the country." Either way, French industry is heading into exciting new territory.

By Terry Dodsworth in Paris

# Lombard

# The Alliance after the honeymoon

By Peter Riddell

bluster and yesterday's suspi- der hard-won ground . cious reconciliation there are fundamental questions about the

two partners. The Alliance itself is not in question. As Mr Leon Britten, one of the recent hand of gleeful Cassandras from the other major parties, has pointed out, "the lure of electoral success will prove too strong for the partners to dispense with each other's services." More significant, though contentious, is Mr Brittan's point about whether the episode rapresents "not some temporary phase in the formation of a new credible centre force hut rather a clasb of two distinct and incompatible

traditions, philosophies and parties. The two parties are distinctively different in origin and structure but it is far too early to say whether this will make them incompatible over the long term. Indeed, a central irony is that, if the Alliance succeeds in winning power and enacting proportional represen-tation, the two partners will he rivalry with neither side feel-

ing elbowed out hy the other.
The snag is that hoth partners have their eyes on the sama group of seats. The Liberals are determined to fight the 50 or 60 seats where they came second in the May 1979 election and have strong local organisations and ronts. And SDP psephological experts believe that pest Liberal success, notably in the February 1974 election, is the best guide to winnable seats for

This clash is at the heart of

THE SIX MONTH honeymoon of ties, generally prizing their the Social Democrat/Liberal independence. They have gained Alliance is now over, and not ground against the two major before time. The surprising parties only after lengthy hard point about the recent work. They have often required squabbling over the allocation a by-election to capitalise on of parliamentary seats is not this effort and get someone that it should have occurred but elected to Parliament (over that it has taken so long to come half their present MPs). These out into the open. Behind all the parties are reluctant to surren-The SDP looks at politics

more from a national context nature of the Alliance and about and has a more centralised organisation at least until its the approach to power of the constitution is sorted out in the spring. The heart of the SDP is a group of ex-Labour MPs and activists who are sceptical about the electoral importance of local influences and organisations. They believe the SDP is what gives the Alliance credibility and that it will be national trends, rather than previous local work, which will ensure electoral success. The SDP. therefore, wants its share of winnable seats.

The dispute could be easily

resolved if the Alliance was certain of winning 250 plus seats after the next election. There would then be plenty of winnable constituencies — say around London and in the Midlands—which have previously heen regarded as Labour/Tury marginals but which could now he good Alliance prospects. But no one can be sure of such a result. SDP leaders are pri vately worried that, if the Alliance as a whole wins only 50 to 100 seats, the Liberals and a minority of SDP experts, might take most of them unless the SDP gets a chance of fighting those now in dispute. The alternative view, held by Liberals and a minority of SDP experts, is that once the political mould has really heen broken new seats will become good Alliance prospects.

edifying for those who take pride in calling themselves political virgins or who seek a new the Alliance. Therefore, under the terms of the national guide politics is about power and lines on allocation of seats, the personal ambition as much as SDP argues that it is entitled to principles, and to pretend otherits fair share of the ones where wise is cant. After the honey-the Liberals bave done well in the past.

Where the ones where wise is cant. After the honey-moon in 1981, both partners will this year be forced to realise what the pursuit of power the recent row and bighlights meaos-more humility perhaps the differences hetween the by some SDP leaders and a parties. The Liberal Party has greater willingness to comproheen, and is, a loose federation mise and think nationally by of semi-autonomous local persone Liberals.

The process may not he very

# Letters to the Editor

# North Sea revenues—a stable and flexible tax

From the Chairman, Orion . .

Sir. In his interesting article (January 7) on the taxation of North Sea oil, your Energy Editor confirms the criticisms of the existing system by the Institute for Fiscal Studies Committee, but quotes some doubts about our own proposals that he has gleaned from some of the oil companies.

These criticisms are not well founded First, considerable tegislation would not be needed. Appendix D to our report ex-plains in detail how the legislation covering petroleum revenue

Secondly, it is implied that the application of our proposal concern that our proposals to existing fields will require would drive the after-tax profit complex and potentially contro-versial researches into the past

Sir.—The article "Solidarity: a test for the West" (December 29) by Anthony Robinson poils

forward e surprising argument for a European business news-

paper. East-West trade is potentially

As with President Carter's M-

fated grain embargo, the only

to a crisis in our trade relations.

but to severe economic effects

within the countries concerned.

In a period of recession in the

West Soviet orders are helping

to keep some industries working and providing jobs which would

otherwise be lost. It is reckoned that British interest alone in the

gas deal is worth over £160m.:

prevent the gas pipeline deal, in

particular, from coming to fruition. The U.S. manufactured

ever more frenzied and fanciful

alternatives as the deal came

who join them.

Solidarity: a test

for the West

From Mr V. Stepanov

so: the information required is already on the record, if only for the purposes of PRT and, as we say in our report, we do not think that there should be room for much disagreement between the Inland Revenue and the companies over the

as companies juggle their pre-tax costs to avoid triggering higher tax bands" for the pur-poses of PPT. Some attempts at juggling are, no doubt, an inescapable consequence of any tax regime; but there would be much test scope for them under

Thirdly, it is suggested that anomalies would probably arise

tax can be adepted without any the single tax that we propose significant difficulty to cover than under the existing complex our proposed petroleum profits interplay of four taxes and three tax (PPT). different kinds of relief.

The article refers to some

similar, modest rate of return. history of each field. This is not It is true that under PPT fields

which yield a similar degree of profitability would attract a similar rate of tax, but the top marginal rate under our pro-posals would be lower then that under the present system and we helieve that the undonbted risks inherent in NSO opera-tions would he adequately rewarded if the operators of even the most profitable fields are enabled, as we propose, to benefit from a tax-free rate of return (as defined in our report) of 15 per cent and to retain a substantial amount of

the balance. Our primary purpose has been to avoid patching up the exist-ing rainshackle system with its unpredictable impact and to replace it by the simple and stable but flaxible system which the Chancellor has been seek-

Antony Part (Sir). The Orion Insurance Company. 70, King William Street, EC4.

includes rail transport.

Dealing almost entirely with

imported components (which

have to he used hy our cus-

tomers to suit their equipment

to foreign markets) we are

fully awere, also, of the fact

that foreign suppliers are no

more reliable than British. They

teke longer holidays and more

often end they also repeatedly

promise what they cannot

I think the best thing that

people like Mr Blood can do is

to keep out of the papers, and

make contact with those respon-

sible by writing directly to

them instead of for all the

world to see. Foreigners read the Financial Times and other

British papers and they are

ance then let them be printed

nnly when there is something

good to say.

Washington's real concern is to many of the greatest names in prevent Western Europe slip-ping, even ever so slightly, from the grip of the U.S. energy monopolites? Washington may be disappointed that its carefully orchestrated plans for counterthe electrical industry and find nurselves under continual pressure to improve deliveries "because this is an export joh.'
We know full well that in the sector of industry in which we are dealing there is keen eware-ness of the need to meet export revolution in Poland have been foiled but its present policy with all the talk of a "test" of promises and there is certainly the Western alliance has more no tendency to ohtain orders by giving falsely hased delivery promises. This sector is tha thriving electronic end light to do with establishing U.S. dominance over its Western partners than with helping the electrical sector but also

a rich source of mutual besetit for both sides. President Reagan's attempt to impose sanctions is, in business terms, Arguments in the Western allience are not caused by the hand of Moscow, although Moscow's hand seems to be everypeople sauctions will really hunt where in the White House view. The present disagreements reflect very real political and economic contradictions in the relations between the USA and in European Nato allies: are their instigators and those For many European countries action to halt the pipeline deal. for instance, would lead not only

It is strange that Mr. Robinson should seem to adhere to the U.S. standpoint when writing in a osper which represents European business and its interests. which cannot possibly be served by policies of sanctions or diminction of East-West trade.

Vasili Stepanov Novosti Press Agency. But, of course, the U.S. shee-4, Zybovsky Boulevard.

tions do not come out of the blue. They are only the latest in a series of U.S. moves to Why UK suppliers

win orders From the Managing Director. Electro-Match

nearer to completion New Poland gives another oppor-Sir,-I am sick and tired of reading letters similar to that Electro-Motch, (December 23) from the Daux Road, director general of the Institute Billingshurst, tunity to try to crush the deal Behind the anti-Soviet propa-gamia and hypocritical concern for Poland coming out of the White House, could it be that of Marketing. We deal with Susser.

From the Divisional General. Monager, Barclaycard.

Credit card operations

Sir,-Mr Latimer's letter (December 30) prompts me to set the record straight on the profitability of credit card operations and service fees charged to retailers:--

The average interest rate on outstandings is significantly less than the 27 per cent quoted by Mr Latimer, who appears to bave ignored the free credit period of up to eight weeks enjoyed by the majority of cardholders. For example, a purchase repaid over three months cost around 19 per cent and with cost of funds average ing 16 per cent, the margin can in no way be considered

excessive. The average fee paid by retailers to Barclaycard is less than 21 per cent, in return for which retailers nhtain, inter alia, some or all of the follow ing benefits: increased turn-over, higher average transactions; guaranteed payment-no had dehts: greater security than

when bandling cash; This fee must also cover the credit card company's costs of voucher processing, authorisation calls and fraud. In recent years. Barclaycard has not recovered the full costs of servicing its merchant network! To suggest, incidentally, that this modest fee represents the net profit of "most businesses"

is, of course, nonsense. The retailer's decision to offer the Barclaycard facility is entirely voluntary and I cannot believe that 3,000 new merchants would join Barclaycard every month-as they did in 1981. unless they helieved that the benefits of membership far jour weigh the costs.

The Monopolies Commission examined Barclaycard's profits hility in great depth and in its report (1980) said that there was no justification for the view that profits were excessive Since that evaluation, profits bility has declined significantly as fraud, cost of funding and the cost of public sector ser vices such as rates, postage and telecommunications have

only too happy to believe the We are in no way complacent self-deprecatory correspondence in the credit card industry and the performance of there is always room for British industry. If we must have letters about our performimprovement in the services we offer. It is however, a lowmargin business-less than 1 per cent on turnover-and: no nne should be under the delu-sion that credit card operations provide a path to easy profits. Trever Nicholas. Barclaycard Centre, Northampton.



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# Little change midway at Electronic Rentals

TAXABLE PROFITS of Electronic Rentals Group were little changed at £7.39m for the balf year eoded September 30 1981 compared with £7.42m, on turnover of £90.91m, against £90.12m. The interim dividend is maintained at 1.1667p net per 25p share—last year's final payment was 3.143p paid from a pre-tax surplus of £14.74m (£12.22m).

The directors say that trading conditions continued to be "exceedingly difficult," par-ticularly in the home market. UK rental side stood still as colour TV income reductions balance viden recorders income growth, which was disappointing mainly because of supply shortages.

The introduction of a second major video recorder supply source last autumn was well received in the market place, the directors state, and with an assurance of supplies in 1982, we axpect to gain market

As most of the exceptional costs to be incurred in 1981-82 were accounted for in the first six months the benefits arising from rationalisation programmes are now beginning to show ptional debits were £1.46m (£67,000) mainly comprising redundancy and factory relocation costs.

In common with the rest of the UK shoe industry, Gola Sports contioues to find trading and further organisation measures are being taken. The directors say that throughout the group, opera-tional costs continue to be carefully monitored and they see signs of a growth in rental income resulting from increased supplies of video recorders.

pased offshoot, Mr R. H. Bennett,

has formed a consortium with three members of the sub-

sidiary's staff to form a new company, Brentcastle, which will buy Taylor Maid from Toye.

The consideration will equal the book value of its stocks

under the terms of an agreement

reach on December 23.

Brentcastle, through a subsequent agreement dated January 4 this year, has a liability to the parent company for the stock, with a book value of £76,377 held by it at that date.

Toyals to recive a royaliy of

Toye is to receive a royalty of

1 per cent of Brentcastle's annual sales for three years

from July 1, subject to a maxi-

mum of £25.000. Taylor Maid has resisted

reach on December 23.

Turnover

Profit/(Loss) before tax

Dividend per share \

Net Assets per share

trading conditions.

Earnings/(Loss) per share

\* Positive improvement in continuing difficult

strong. Improvement hoped for in 1982.

\* Our prospects remain excellent, our balance sheet

Copies of Report and Accounts are available

from the Secretary, Jessups (Haldings) pic

London Road, Romford, Essex RM7 90S.

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**DIVIDENDS ANNOUNCED** 

	Date	Corre-	Total	Total
Cur	rent of	sponding	<b>for</b>	last
payr	nent payment	t div. –	year	year
Aspreyint 1	Jan. 28	15*	_	35+
Baker's Stores 1	<del></del> .	0.8*	1.65	1.32*
	al	1.5	nil	2,5
Peter Blackint. 1.	68 May 1	1.54	_	4.54
City of Lada Tr 2nd int 1.		1.1		4.4
Electronic Rentals 1.		1.17	_	4.31
Hickson and Welch 5		5	7.5	7.5
Rht. Kitchen Tayler 7	March	31 7	18	10
John Waddingtonint. n		2.5	_	6
Title Indiana management		ne whom	- Cornel	so stated

Dividends shown pence per share net except where of erwise \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

tional items, shows: rental - UK 259.02m (259.01m) and £11.13m £3.78m. (£12.6m); overseas £14.76m (£11.57m) and £2.33m (£1.77m); retail £3.27m (£3.81m) and retail £3.27m (£3.51m) and £166,000 (£142,000); camping and leisure £13.42m (£15.17m) and £74,000 (£56,000 loss); property £53,000 (£51,000) and £382,000 (£372,000); miscellaneons £389,000 (£516,000) and £38,000 loss (£92,000); holding company £10,000 loss (£77,000 profit).

The camping and leisure figures for the 1981 six months exclude those relating to the discontinuing activities of Dudes and Europleasure whereas the comparative period included turnover of £3.1m and e loss of £623,000.

Above the line, interest charges were down from £7.32m to £5.18m as a result of reduced levels of borrowings and a marginally lower average interest rate but these were offset by the increased exceptional items, over and £14.03m (£14.81m) and higher dep profit; before interest and excep- £24.17m (£22.62m).

The autumn and Christmas

trade again failed to materialise

last year and Taylor Maid lost another £125,000 or so "before

provisions against possible write-

It had not liabilities of £32,000

at the end of 1980, but this buy-

deferred tax of £500,000.

TRIDENT

GENERAL

out eliminates the provision for

The pald-up capital of Trident General has been in-creased from £5m to £9m, to

capacity as ao independent and

flexible market for professional

Year to 31st August

1980

£000s

31,685

(250)

(ft.86p)

2.00p

79.36p

1981 .

90

£000s

28,680

0.90p

2.00p

78.26p

Toye subsidiary bought out

Toye and Co., the craft industries group, is selling the pull it back into profits. Suffer-persistently disappointing pre-ing the effects of violent fluctua-

cious metals giftware subsidiary, tions in bullion prices, the cost Taylor Maid (Consumer Market-ing), to its management.

The main board director late in the year the subsidiary responsible for the Nuneaton-lost £265,000 in 1980.

Main Dealers for Vauxhall-Opel, Bedford and Ford,

Leasing Specialists and Commercial Vehicle Body Builders

After much higher tax of against £896,000, £13,000 interests (£13,000 credit), and an extraordinary credit of £420,000 (£160,000 debit), the available balance came through down from £6.38m to £4.02m. The divi-dend cost is £2.1m (£2.05m). Basic earnings per share, after

tax and minorities, were 2p (3.8p). Net cash flow per share increased by 0.3p to 17.1p.
On a CCA basis the pre-tax figure for the first half is reduced to £6.85m (£6.46m).

	11977	1001
	1981	1980
	\$000	£000
Turnover	90,911	90,12
Trading surplus	38,202	37,12
Depreciation	24,189	22.81
Profit	14,033	14,800
interest	5.181	7,32
Exceptional debits	1.462	67
Profit before tax	7,390	7.41
Taxation	3,780	896
Net profit	3.610	6.52
Minority debit	13	*12
Extreord. credit	420	f160
Profit available	2.095	2.05
To reserves	1,922	4,322
Credit. † Debit.		

intermediaries. Trident General is a member of the General Reinsurance Group.

Asset Special

at a discount

The shares in Asset Special

Situations Trust placed at 30p have started trading at a discount. Yesterday they closed at

The company raised £3m by

placing 10m shares. Its invest-ment policy is geared towards

recovery stocks and special situations including investments

in private companies wishing to

come to the Unlisted Securities

Brokers to the issue were

John Brown and Co has com-pleted the acquisition for \$44.4m

of Olofsson Corp, a privately-held machine tool manufacturer

DORONAKANDE RUBBER ESTATES—
Pre-tex profits £34,268 (£33,943) for sine months to September 30 1961.
Tax £10,323 (£10,163). Stated earnings per 10p share 3.15p (3.13p). Net asset value per shere 177.9p (142.6p). In August 1981 Land Reform Commission of Sri Lanks increased amount of compensation awarded in respect of nationalisation of the company's estate from £12,487 to £18,870. This additional compensation will be included in tenth and final half-yearly instalment of compensation. The nimth and tenth lastalments, totalling £4,080, have been received. This emaunt has not been included in nine month statement.

included in nine month statement.

EUCALYPTUS PURP MILLS — The directors have decided to transfer the residence of the company from the UK to the Bahamas with effect from January 1. 1982. Consent of the Tressury has been obtained. The company's shares will remain listed on the London Stock Exchenge, and dividends will continue to be paid in sterling. Shareholders who are resident in the UK will receive their dividends after the deduction of UK tax as at present.

PYKE (HOLDINGS) (butchers)—
Results for year to June 30 1381 as known. Fixed easets £758,093
'781,982). Cesh and belance at bank £70,347 (£1,483]; oet curren; lisbifities £70,2013 (£369,967); shareholders' funds £927,557 (£383,195); incresse in working cepital £262,393 (decrease £194,538). Meeting: Winchester House, £C, January 29 at noon.

ased in Lansing, Michigan.

JOHN BROWN

IN BRIEF

Market.

further underwriting Smith Keeo Cutier.

Situations

See Lex

W. L. Pawson, the clothing group which takes in Silfionette lingerie, has gone into receiver-

ship. The board, headed by Mr

Stanley Wootliff, announced yesterday that it had requested the debenture holders, Barclays Bank and Charterhouse Japhet,

to appoint Mr W. G. Mackey and Mr N. J. Hamilton of accountants

Ernst and Whinney as joint

The joint Receivers said that

they intended to continue trading while an investigation is

carried out. They also hoped to

dispose of many of the group's operations as going concerns.
The search for buyers for all, or part, of the menswear and

adieswear manufacturer and re-

group revealed that it had

tailer, has been going nn since the middle of November when

suffered a substantial first-half loss in the financial year which

The shares were suspended at

7p, at the group's request, which gave Pawson a stock market value of £840,000. Charterhouse Japhet holds 6.26 per cent of the equity.

The board blamed sharply depressed demand in many of its

pressed demand in many of its operations for the planned dis-

posal programme. After severe retrenchment last year, the group bad been predicting e

return to profits, but volume subsequently fell further and orders from major customers

Princes Foods, a wholly owned subsidiary of the Italian group. Buitoni, is assuming sales and marketing responsibility for all produce of Lockwoods Foods in the UK and Channel Islands.

Lockwoods went into receivership leaf Wards and channel sales.

ship last March and the major

part of its UK canning and soft

drink business was acquired by

Hillsdown Foods, a private group, in July. Princes distributes imported canned fish, fruit and vegetables.

Full plans relating to the

still under

long-term operation of the agree-ment between Lockwoods and

Princes are

development

Lockwoods

marketing

ends next month.

were deferred

Receivers and Managers.

**Pawson** 

calls in

receiver

# Kwik Save to raise £12.28m

Kwik Save Discount is raising £12.28m gross by way of a rights issue of 6.8m new 10p shares at 180p per share on the basis of one new share for every 10 held on December 17. In the market the shares fell 8p to 214p.

The £11.9m proceeds are to be used to help finance the continued expansion of the group, in particular the purchase of stores on a freehold basis.

Sales for the first 16 weeks of the current financial year are up 21.8 per cent over last time. The directors decline to forecast profit for the year but undertake to pay dividends on the enlarged capital totalling 6p, compared with 5p in the year to August

Mr. I. F. D. Hill, chairman, says that despite the continuing figree competition among major food retailers, the group still has good prospects of maintaining its profitable expansion in the future, taking into account the many towns in which the group is not represented.

He also points out that the group has benefited in the past from the provisions for stock relief. With the easing of infla-tion, there has been less need to make purchases of stock ahead of producers' price increases and stocks have fallen. A relatively small increase in stock purchases would require large sums of cash.

The new shares will not rank for the final dividend in respe of 1989-81, which is payable next week. Dealings in the new shares are expected to begin on January 11 and the final date for acceptances is January 29. The issue has been under-written by Singer and Fried-

lander and brokers are L. Messel and Co and Tilney

significant contribution from either of these areas, they say. First half turnover of this packaging and games group, was down from £33.06m to £24.75m—

for the 28 weeks to October 17 1981. Despite this however, the company has swung back into profit with figures of £326,000 FIGURE COMPARED With losses of the previous year's figure f1.02m in the corresponding included £7.03m from Valentine period last year. Group. The pre-tax profit was period last year. No interim dividend is being paid.

"Bombshell," based on the television programme, Dad's Army, was launched at toy fairs.

resulted in in previous statements. In the

THE WITHDRAWAL by John of £2.2m for Videomaster and Waddington of its controversial £735,000 for the U.S., as disclosed

a write-off of £180,000 and this current year there has been no

has been included in the figures

the Press campaign.

Within two days, the company

The board says the company's

mount and in view of the results

dend. Last year's net total was 6p, with the interim being 2.5p.

A recommendation with regard to the final dividend will be made

They say the result for the

The company

first balf should be reviewed

against the background of an

ably well in packaging, printing and games, but sales began to

decline in the late summer. In particular, it is the sales of fold-

performance and prospects.

environment.

Bids and Mining News on Page 18

last January and was on general sale in June. The directors say it was well received by the trade struck after interest charges nf £356,000 (£965,000). Tax took £6,000 against a credit of £3,000, and no complaints were received until the one which sparked off leaving attributable profits of £320,000 (£1.02m loss after minority credits of £5,000). decided to cease production and Stated earnings per 25p share were 4.9p against losses of 16.5p. The board says the company has nearly doubled its capital financial position is strong, but the need for investment is paraexpenditure from last year's low of the half-year, it has been decided to pass the interim divilevel to maintain its investment

cost-effective moderu. machinery. A rigorous attack on costs at all levels is con-tinuing because the company does not expect trade to improve for some time. The result of the second baif the current financial year

depends on sales and margins which, with some exceptions, continue to be unsatisfactory. increasingly difficult trading Two of the games companies bave carried out extensive changes in the balf year. Waddington's Honse of Games has consolidated its operation in order to improve efficiency and release a 30,000 sq ft building ing cartons, and the higher

priced games which have for rent or sale, suffered with the general depressions. Subbuteo Sports Games, in order to consolidate into one The games figure for the prior factory from three, bas moved and the prospects remain very year was affected by provisions from Kent to the North-east, gloomy.

Once again, efficiency will be improved and cash is being generated from the sale of build-Sales of the company's plastic

containers for carbonated drinks are increasing. It is funding a development programme aimed at improving productive efficiency and raising technical specification to meet the requirements of a very large otential market

This work, which the board considers to be of great importance for the future, has depressed the profits of the packaging business.

comment

Waddington shakes off its Birmingham Pallet runs

losses on withdrawn game into loss

Waddington's figures yesterday caused dealers a double take. The shares added 40 yesterday on first confirmation that interim profits had been partly restored before slipping a net 80 to 960 nn the absence of the half-time dividend. Waddington had hacked at last year's distribution so the ex-ACT saving this time is a mere £156,000 so far and the outlook for the final is to say the least obscure. The group's explicit line is that dividend has been sacrificed in the cause of capital spending which is set to double this year to about £2.6m. But expenditure at this level should be eeen against a £2.4m spend in 1979-80 and a total of £3m in the year before that. The current cost depreciation change is about £2.6m anyway and the bistoric balance sheet was in robust health. The real point, perhaps, is that after bucking the trend for a good while, the dominant packaging interests have at last succumbed to the recession, particularly as it affects the confectionery trede.

Good start for Fredk. Cooper

compared with a profit of 181299, is reported by Birming-ham Pallet Group for the year to October 31 1981 and the final dividend, like the interim, is being omitted—a total of 2.5p

After six months texable

profits had declined to £14,000

(£25,000). The directors said it

was "impossible" to forecast the

Full year turnover of the group, which is engaged in light

engineering, was lower at £2.78m

After tax credits of £100,543

(£9.583) and extraordinary

credits of £29,880 (nil), being

a profit on the sale of a free-

hold property, there was an attributable profit of £28,112

Stated loss per 10p share was

0.2p (8.9p earnings). On a CCA basis the pre-tax loss was

net was paid for 1979/86.

outturn for the year.

against £3.67m.

(£90,882).

F. R. Cooper, the chairman of Frederick Cooper (Holdings) says the current year bas started "very well" with the first quarter's trading producing profits and that be feels sure total profits earned this year will allow the company to main-tain its dividend and that "it will be well covered." He says the current year will

be one of expansion with consideration being given to the opening of a new factory principally in connection with horse shoe nails. Although this will be expen-

sive the chairman says finances have been carefully planned and the scheme is well within the group's capability. on the USM by returning almost trebled interim pre-tax profits.

### FOREIGN AND COLONIAL INV.

At December 31 1981 unsecured currency loans of the Foreign And Colonial Investment Trast Company, which continue to be on a short-term basis, totalled US\$34.5m and £13.75m. Since that date a borrowing of \$18.5m has been repaid in full.

### SHARE STAKES -

Percy Bilton-The National Coal Board Pension Funds pur-chased a further 1m irrdinary shares and now hold 4,632,700 (12.33 per cent).

Crosby House Group—Jazerite Holding,s and subsidiaries, have sold 4,750 ordinary shares and but the statement hints at a rise £77.978 10 per cent convertible in the final. Despite October's unsecured loan stock 1987/90. four-for-one scrip issue, the share is still considered heavily have a notifiable interest. Smith Whitworth-CHI Securities became interested

January 4 in e further 10,000 nrdinary bringing the aggregate holding to 727,000 (18.175 per Bonusbond Holdings-Follow-

ing sale of 25,000 ordinary shares the interest of Vandan is 680,000 ordinary shares (19.42 per cent). Eagle Star Holdings—On December 23 Allianz Versicherungs—AG transferred its interest in 38,248,615 ordinary shares to a company incorporeted in England which is in the process of being renamed Allianz Holdings.

Badulipar Tea—Longai Valley Tea has acquired 20,950 ordinary shares and 2,000 preference

notified the company that, as a result of the attainment of majority by a minor, he is no longer beneficially interested in 218,304 deferred ordinary shares but his non-beneficial interests have increased by 175,804 such shares.

R. P. Martin—P. J. Watling.

# Asprey surges to £2m midway

The comparable figure was

depressed by the costs of the

successful effort to fight off the Dunhill bid. As befits a jeweller

to the Queen, sales were boosted by the Royal Wedding boom. The

new franchised shop in Hong

Kong, which opened in October

sbould bring in more permanent benefits, through tracking there has been flat of late. Asprey will

he opening a wholly owned shop in New York this October, though

plans for expansion in the Galf

scem to have been shelved. The small interior decorating busi-

ness, Asprey Interiors, acquired

in 1979, has gained good orders, and is expected to become a

major part of the company's business. Sears Holdings has 20 per cent of the equity. The interim dividend is beld at 15p.

September 30 1981, pre-tax profits of Asprey, the jeweller, whose shares are dealt on the USM, have reached £2.13m from

turnover of £12.17m.

And the directors believe that the outcome for the year will be satisfactory, although elements of traditional business which are normelly attributable to the second half have fallen into the first six months of the current year. "Trading prospects remain good and with the current expansion at home and overseas, we look forward to the future with confidence," they

In the comparative six months to September 30 1980 the com-pany made a profit of £784,000 from turnover of £6.17m. But sbarebolders are reminded that the period was affected adversely by the diversion of management effort, mainly in successfully defending a takeover bid from Alfred Dunbill.

orim di

tively at 15p. For the year 1980-81 the company paid an effective total of 35p from profits of £4.13m. The final dividend for the current year will be determined in the light of results, and is likely to be recommended in August.

After tax of £870,000 (£300,000) and extraordinary debits of £181,000 (£60,000) the available balance came out at £1.08m (£424,000). After dividends of £306,000, the retained figure is £776,000 (£118,000). The extraordinary items represent costs of obtaining the introduction to the USM and the development of new ventures in London and New York. Earnings are shown at 62.85p (23.9p).

As well as the jewellery side. Asprey is involved in interior decorating, furniture opholster ing, curtain-making, bookbinding, and the restoration and repair of antique furniture and

priced. Yesterday it rose 6 per comment half year is maintained effec. Asprey has celebrated its placing gold chess set.

**NEW LIFE BUSINESS** 

# Royal Life success in the UK

by Royal Life met with tremendous success. It was mainly responsible for UK single premiums more than doubling from £21m to £51.2m.

The company, the life and pen-sions member of the Royal Insurance Group, sold £20m of income bonds in its special issue made in December, and £10m under its school fee plan, which

started at the end of 1980. The company had a successful year in 1981 for most of its life and pensions marketing. New UK annual premiums rose from £22.5m to £24.1m, with Individual life preminms up from £8.7m to £9.4m, thanks to higher mortgage related business.

The company also had a good year for group life and pensions business, in contrast to the general trend in the market. New annual premiums advanced 12 per cent to £8.9m, while single premiums were 25 per cent higher at £5.5m. Most life companies have seen a drop in group pension business because of the cession, massive redundancies

recession, massive redundancies and lower wage settlements. However, self-employed and individual pension business was mixed with annual premiums dropping slightly from £3.9m to £3.8m. Single premiums rose by one-third from £3m to £4.1m. Total worldwide life and pensions business of Royal saw annual premiums rise 9 per cent to £28.3m and single premiums. to £28.3m and single premiums

more than double from £21.9m

The Commercial Union Assurance Company also saw an improvement in its UK group pensions business. New annual premiums advanced from £10.1m to £11.8m and were mainly responsible for total UK annual premiums improving from £19.1m to £20.8m. Individual business in the UK fell slightly,

with annual premiums of £8.8m against £9m and single premiums 16 per cent lower at £4.8m. New SPAIN

January 7
Benco Bilbao
Benco Centrel
Benco Extenor
Benco Extenor
Benco Ind, Cet.
Banco Santander
Banco Usquijo
Banco Usquijo
Banco Vacays
Benco Ceragoza
Oregedos 355 218 127 60 58.7 Pregedos Spenole Zino .....

THE VENTURE in the guaran-teed income bond market and nent health insurance were the school fees market last year down to film from f1.2m. to f16.43m, while single premiums jumped from f17.96m to f31.65m. The worldwide new annual premiums of the CU rose in sterling terms from £39m to £42.8m, while single premiums almost doubled from £28.6m to

£35.1m, the underlying growth rates allowing for exchange rate fluctuations and the disposal of the life business in Australia and New Zealand being 6 per cent and 79 per cent respectively. Single premium busines in the Dutch company Delta-Lloyd was especially strong, with a swing from annual to single promiums in the pensions sector.

However, Yorkshire General Life Assurance Company, the life company within the General Accident Group, reports a pat-tern of new life in pensions business more in line with the general UK trand. New annual premiums on ordinary business improved from £41m to £5.5m with good growth in mortgage-related and protection contracts. But new annual premiums on group pensions deckined from \$4.5m to \$3.4m.

The company had a successful year for self-employed pensions business, with annual premiums more than doubled from more than doubled Irvan £900,000 to £2.1m. Total UK new annual premiums rose from

19.5m to £11m.

UK single premiums improved nearly 10 per cent to £5.7m, with life premiums static at £1m. The growth came from group business which moved from £4.7m. £4.2m to £4.7m. New annual premiums

world-wide business were 15 per cent higher at £11.4m against £9.9m, while single premiums were £6m against £5.3m.
Scottisb Equitable Life Assurance Scottisb ance Society had an exceptional year in 1981 for self-employed pension husiness, with new annual premiums rising from

£1.08m to £4.47m, while selfemployed single premiums im-proved 14 per cent to £4.24m.
The other success story for the company was its marketing of guaranteed income and growth bonds, which resulted in single premium life business jumping from £2,98m to £18.8m. company's annual premium business on ordinary life also showed good growth, moving ahead from £1.93m to £2.3m, with its link with the Royal Bank of Scotland boosting mortgage repayment business

However, group pension business took a knock with annual premiums down from £11.02m to £9.66m and single premiums 24 per cent lower from £11.26m to £8.61m.

The net result for the company was an advance in new annual premiums from £14.03m

. A steady mortgage business last year resulted in new life annual premiums of Provident Life Association of London improving slightly from £2.35m to £2.5m. The company's launch of e single premium unit-linked plan saw life single premiums expand from £16,000 to £80,000. But the company saw its group pensions business declinepremiums fell from £1.04m to £637,00 and single premiums from £606,000 to 485,000.

High life premiums and lower pensions business is reported for 1981 by the Scottish Mutual Assurance Society. New life premiums rose 11.6 per cent from 52.9m to £3.3m, with the sales of protection contracts benefiting from the special rates quoted for non-smokers.

Pension annual premiums dropped 30 per cent from £5.3m to £3.7m, with group, executive and self-employed pensions all showing declines. Single declines. Single business remained premium business remained static at £6.1m, with a 25 per cent increase in life business, offset by a corresponding drop in pensions business.

British Electric Traction— Mr G. A. H. Watts, director, has

director through Sinjul Nominees, has disposed of 45,000 ordinary shares et 300p, leaving holding 199,009 (2.13 per cent). Steinberg Group: Mr D. Wolf-son, director, holds 260,000 ordinary (1.99 per cent). Welverhampton S t e z m

Welverhampton S t e a m Laundry: Mr T. Watson resigned from the board and subsequently disposed of his holding of 130,696 shares in the company. Globe Investment Trust: The NCB Pension Funds yesterday purchased 250,000 ordinary, making holding 36,224,043 chares (22.15 per cent).

# M. J. H. Nightingale & Co. Limited

7/26	LOV	at Lanc London EC3R	8EB				01-621	
198	1-82		٠.			`	P/i	Ē ::
	Low	Company	Price	Change	Gross	Yiel	d .	Fully
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75	62	Airsprung	113	<b>+.1</b> .	.10.0 -	8.4		· . <u>-</u>
51	33	Armitage & Rhodes	70	+ 2	4.7	6.7	11.1	15.4
200	187	Rardon Will	-45	+ 2	4.3	9.6	3.8	· 81
104	86	Onborn Species	440		. 5.7	- 4.9	5.7	11.8
129	97	Captiell Salaices *****	. 66		5,5	5.4	4.3	8.1
68	39	Bardon Hill Osborah Services Frank Horsell	129	+ 1	6.4	5.0	11.6	23.9
78	46	Talland Talland Spectrum	ub-	+ 1:	··1, <b>7</b> . ·	2.5	29.6	· -
102	93	Gnorge Slair	48		<del></del>	_		· 💳
104	100	IPC	97x		7.3 .	7.5	7.0	10.
113	· 35	Isla Conv. Pref		_	15.7	15.1		
130	108	Jackson Group	97		: 7.0° -	7.2	3.1	- 51
334	258	James Burrough	114	<b>₩2</b>	8.7	7.6	8.3	-101
59	51	Robert Jenkins	255		31.3	12.2	3.6	9.0
222		Scruttona "A"	54	_	5.3	9.8	8.3	
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		Prices now available			454	}-	7-1	-

THE TRING HALL USM INDEX 116.8 (-0.1) close of business 7/1/82 BASE DATE 10/11/80 100

Tel: 61-638 1591

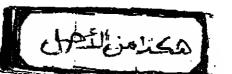
CORAL INDEX Close 525-536 (+5)

OIL INDEX March Refined \$49.89

### CLYDE PETROLEUM ple has acquired City Exploration Company and City Petroleum Company SINGER & FRIEDLANDER LIMITED 20 Cannon Street London E.C.4. CLYDE PETROLEUM ple هكنائمن المعمل US\$45,000,000 medium term facility Managed by SINGER & FRIEDLANDER LIMITED Provided by Barclays Bank International Limited Canadian Imperial Bank of Commerce The Royal Bank of Canada Clydesdale Bank Limited Singer & Friedlander Limited December 1981 Bank of Scotland

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Ei - Leite



# **Increased loss** at Hollis ESA

A SMALL return to montability next year is predicted by Mr R. J. Rimington, chairman of Hollis Bros. and ESA, after texable losses nearly doubled by the first six months to September 30 1981. The deficit rose from 21 37m to £2.5m. There is again no interim

The reduction in the size of the group and the curtailing of operating costs suggest that the next six months will see a much

reduced loss, he says.

Mr Rimington adds that the adverse trading conditions in the industries the group trades in dancies, coupled with expensive were exacerbated by the stock liquidations as the London rationalisation programme. Turn-the neriod plunged by Although there is no sign of new Although there is no sign of new and of Hollie's markets, adverse trading conditions in the there were a further 500 redun-industries the group trades in dancies, coupled with expensive In the last full year the group, which has holdings in timber importers and educational equip-

level of operating expenses. Inevitably there has been a further reduction in the workforce,

now 1,250.

Interest payments this time fell from £1.36m to £913,000. There was no charge for tax (£120,000). There was an extra-ordinary debit of £594,000, com-

pared with £500,000, which left the group loss after preference dividends sharply higher at £3.09m, against a previous £1.75m.

branches.

this time.

Interest

net (1.32p adjusted).

Mr Baker says that since the

end of the financial year, the three new stores have produced

satisfactory results. Trading in

a further store was opened in

year was £210,307 (£175,048). Tax

was considerably higher at £381,530 (£85,717), leaving attributable profits down from

£788,702 to £581,060—the pre-vious year's figure included a

lower at 11.62p against 15.77p.

receivable for

comment

Over the past year Hollis has been shrinking as fast as it can, in the effort to match dwindling markets. Operations are now concentrated at Stevenage and Hull; once they were spread over as many as 15 locations. In the first half of the current year, life in any of Hollis's markets, surgery has at last reached a point where all divisions are importers and educational equipment manufacturers, made pretax losses of £4.82m. The last dividend was 1.4p in 1980.

The scaling down of trading activities, says Mr Rimington, is a direct result of the closures kept shareholders funds in and has substantially reduced the level of operating expenses.

Willing profits. But gearing is still an oppressive 100 per cent of depleted net worth, and it was only a £4.7m property revaluation last March which kept shareholders funds in balance with the debt. A below-par share-price of 21p values Hollis at just under £2m. At Holis at just under £2m. At these deputs there is room for e recovery argument which industrial Equity (Pacific), the accumulator of a 20 per cent stake in the summer at 40p or so, is no doubt nervously rehearing.

# RKT picks up in second half and holds payment

and Company returned to profit in the second six months, the pre-tax figure for the period amerging at £589,000, compared with £286,000.

For the full year, however, to September 30 1981, the faxable surplus was still well down at £442,000 (£638,000) but a final dividend of 7p (same) maintains the net total at 10p per 10p

Turnover of this knitwear menufacturer, textile merchant and property investor and dealer, improved from £15.4m to

brought forward £877,000 (£1.2m) reserves.

AS PREDICTED in the interim and currency adjustments of statement Robert Kitchen Taylor £17,000 this time the attributable balance emerged at £1.54m against £1.25m, out of which dividend payments £389,000 (£376,000).

On a CCA basis pre-tax profits are shown as down from £407,000.

Although conditions in the textile trade remained dull the group's textile operations re turned to profit in the second balf of the year, as anticipated and the present year has started satisfactorily.

The property sector pro £16.99m. significant realisations of the Interest charges were higher trading stock took place in the at £609.000 (£297,600 re. on the office use of the statest forms. on the office use of the Chart Street property beve now been After minorities of £4,000 removed and the directors have (£13,000), extraordinary credits revalued the property at £4.5m, of £335,000 (£297,000 debits), giving a revaluation surplus of distributable reserves as restated. £1.5m which has been credited to

# Brockhouse optimism for return to profitability

ALTHOUGH there are no shortage of manufacturing demand is increasing, Mr. R. J. H. Parkes, chairman of Brockhouse, says he is optimistic that the year ahead will produce a return to profitability for the group.

in the year to September 30, 1981, the group, which has interests in engineering, transport, building and materials handling, and equipment manufacture, incurred pre-tax losses of £1.96m compared with profits of £757,000.

He says in his annual review that there are signs that the group should be firmly pulling out of its present malaise by mid-1982. This pre-supposes no serious setback nationally, and no deepening of the recession in the U.S. to upset world trade: Regardless of these and other possible upsets, be says it is difficult to accept that 1982 could be worse than 1981. -

Mr Parkes adds that a few improvements are appearing here and there, but experience dictates caution. "There is no doubt." he saya, "we are picking up orders once enjoyed by menu-facturers no longer in business. I reiterate my last year's comments that an upturn of any shares (14.43 per cent) magnitude would expose a has closed and lapted.

This, in turn, would bring in exports and be counter-produc-tive to the nation's long-term interests. I hope, therefore, that the pick-up will be gradual and digestible, but history does not support this possibility."

JACKSON GP Jackson Group has acquired ATC Preumatics, a subsidiary of WGI, within its industrial

ATC Preumatics provides compressed air equipment and services. Branches at Northampton, Nottingham, Sheffield and Hull will be merged into the Jackson Group subsidiary, Anglia Pneumetics, which similar sales branches. which operates

Mr F. Jackson, chairman, said that the transaction took full account of the interests of the employees and customers, as well as creating a more effective and economical sales organisation.

WM. MOWAT & SONS

John Siddail and Son, acting on behalf of Mr Kearns, has announced that valid acceptances have been received for 144,260 Wm Mowat and Sons ordinary shares (14.43 per cent). The offer

# Strong and encouraging start for Whessoe

and encouraging for all three principal operating companies, (£9.92m). Lord Erroll of Hale, chairman of Whessoe, tells members that the year to September promises to show a further appreciable increase in activity, turnover

26 last amounted to £250m, compared with £217m previously.

With regard to the Qatar claim, arising from loss, damage and expense at Umm Said in 1976 and 1977, the directors say that these losses bave not been quantified, except for an unsubstantiated indication made on behalf of the claimants that the cost of replacement of the plant and other losses may be

from leading technical experts, liability is denied and both proceedings will be strenuously defended. No provision has been

heavy engineering subsidiary, supply of engine test enabled the group to swing back into the black for the 12 months

The purchaser is Mr ended September 26 1981. Pretax profits totalled £4.58m, against losses of £412,000. Heavy

funds of £22.87m (£16.38m). balances and cash negligible.

W. CANNING

Gross order book at September that its wholly owned subsidiary

Gross order book at September that its wholly owned subsidiary

W. Canning Environmental Services of Testord, Shropshire, has sold its interest in the distribution of equipment for controlling oil pollution of in-

> Defence, a company in which a former director of certain Canning subsidiary companies will have a controlling interest while Canning will have a 26 per cent minority interest as a trade investment but no. ofher

W. Canning has also con-tracted to sell as at December 31 1981, a controlling interest ln its subsidiary HB Instrumenta-As reported on December 18, tion, a Bolton based company an excellent result from the specialising in the design and heavy engineering subsidiary, supply of engine testing

> managing director of the com-pany for four years. W. Canning will also retain a 26 per cent interest in the company. The pre-

### **Baker lifts** Hickson makes dividend sharp recovery to 1.65p

AN INCREASE from £620,322 to £752,283 in trading profits is reported by Baker's Household AFTER PLUNGING from £4.4m to £2.21m in the first six months, after charging £128,000 Stores (Leeds) for the year to redundancy and termination costs, taxable profits of Hick-September 26 1981, but Mr R. Baker, the chairman, says the increase for the second half would have been somewhat and Weich (Holdings), nical manufacturer, rehigher if it were not for the covered sharply in the second increased depreciation and openbalf and for the year as a whole to September 30 1981 finished ing costs relating to three new just £200,000 lower at £6.28m.

The company, which oow operates 22 self-service stores In his interim statement Mr T. Harriogton, the chairman, selling non-food merchandise, warned that with little likeliincreased its turnover from £4.72m to £5.7m. The final divi-dend is effectively raised from hood of an early upturn in the chemical sector group results for the year were expected to to 1p for a total of 1.65p down on those of 1979-80.

Turnover for the year under review declined to £90.87m (£93.3m) and trading profits came through at £7.64m, compared with £8.23m.

other stores, although keeping around last year's record figures, The pre-tax surplus was after is flat and under present condi-tions, he says it would not be lower interest charges of £668,000 (£1.37m) and re-dundancy and closure costs lower £668,000 prudent to forecast further at rose from £393,000 to The company is continually £699,000. looking to acquire further branches in which to expand and

Tax took much the same at £3.17m (£3.23m) and after sameagain preference dividend pay-ments of £6,000 the available balance for ordinary sbare-bolders emerged at £3.1m (£3.24m).

Stated earnings per 50p share dipped 1p to 16p but a maintained final dividend of 5p holds the total at 7.5p net.

surplus of £79,049 on the dis-posal of fixed assets. Stated earnings per 10p share were CCA adjustments reduce the taxable profit to £2.31m (£2.75m) and on the same basis there

• comment

Hickson and Welch has shared have enjoyed in recent weeks. Up 12p to 212p yesterday, the shares are higher than at any time for over two years. The figures are quite a bit hetter than expected, and vasily better than the first half. Having fallen 50 per cent short of 1980 at the interim stage, Hickson did almost enough in the final six months to repair the damage at the operating level, and bas also halved its income gearing. The main source of improvement io the chemicals business is still oversess, helped by currency factors, but volumes in the UK have shown some recovery — more so in the intermediate agro-chemical and pharma-ceutical lines than in pigments agro-chemical or dyestuffa. Inorganics have remained relatively profitable throughout the trough. Timber preservation is still a growing and increasingly profitable part of the business, which seems likely to progress further this year. In chemicals the outlook is still uncertain, clouded particularly by faltering U.S. demand and by aggressive pricing from European competitors such as

sectoral re-rating.

months to June 30 1981. On November 17 1980 New

eredit of £5,798.

āttrī bu table loss was reduced, from £170,008 £97,371.

the accounts.

Hoechst. But this result will surely confirm the recent builtish Antony Gibbs, Sage has changed its name with the con-sent of the Department of Trade to Gibbs Sage effective from in the sector. The 5 per eent yield emphasises that Hickson has kept well abreast of

# Turnround for New Cavendish

A TURNROUND from pre-tax losses of £2,719 to profits of £70,719 was shown by New Cavendish Estates for the six

Cavendish Investment's issued in the good run chemical shares share capital was exchanged for 504,000 new ordinary shares in New Cavendish Estates.

The extraordinary debit of £154,136, say the directors, consists mostly of the merger costs and includes a provision for diminution in the value of the investment in the associated company. Last time there was a

There was a reduced tax charge of £13,767 compared with £173,087 previously. The

Earnings per ordinary 5p share are given as 7.3p. No comparative figure is provided for earnings per share because of the merger of interests reflected

For these accounts, say the directors, the accounting periods of the companies start on July 20 1980 for NCE and January 1 1980 for NCI. The comparative figures have been combined, each covering a period of 12 months ended July 19 1980 and December 31 1979 respectively.

# **GIBBS SAGE**

# Peter Black up in first half

FOR THE half year to October 31 1981 taxable profits of Peter Black Holdings, footwear and travel goods manufacturer, improved from £1.37m to £1.8m on turnover higher at £20.41m, com-

pared with £16.7m. The directors, who consider the results "satisfactory" taking account of the current trading conditions, are raising the net Interim dividend merginally from 1.54p to 1.68p per 25p share—a final of 3p was paid for 1980-81 from pre-tax profits of £2.8m.

Stated earnings per share for the six months emerged at 10.8r (8.2p) after tax of £935,000 (£710,000). Interim dividend absorb £134,400 payments (£123,200),

### comment

Peter Black's decade of steady growth is highlighted by much improved interim figures, with pre-tax profits 32 per cent up at £1,801,000. The company has traditionally sold about 25 per cent of output to Marks and Spencer. M and S's drive towards cheaper footwear has ellowed Peter Black to reap further benefits as its own range is at the bottom end of the market. The international division, begun in December 1980, continues to grow and enables the company to complement its home produce with Ralian leather footwear. The company is hoping that its marketing operation for Adidas will benefit from the world cup same 9 per cent as the interim, finals next year. Margins have the share, down 5p at 211p, finals next year. Margins have been improved on the traditional yields about 3.4 per cent.

# BOARD MEETINGS

following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends. dends are interime or finals and the eubdivisions shown below sie based mainty on last year's timetable.

Foundries

Finals—Lav's Engineering, Robert H. Lowe, FUTURE DATES

Austin | James | Steel | Jan 20 | Senks | (Sidney C.) | Jan 26 | Gresham tnesstment Trust | Jan 13 | Midland Trust | Jan 13 | Jan 14 | Jan 15 | Jan 16 | Jan 17 | Jan 17 | Jan 20 | Jan Stroud Riley Orummond ...... Jan 20 Symonds Engineering ....... Jan 14

Finals:-Imperial Group Lovell (Y. J.) . †Amended.

bome manufacturing front. Having reduced interest payments, Peter Black is continuing to expand its product range, and is now starting to manufacture household textile lines. The recent snowy weather will have of Wellington boots. Before the figures this family beld share was trading strongly. Assuming the final is increased by the

The Group's net operating profit before provisions for the year ended 31 August 1981 at R266,2m was 2.7 per cent below the R273,7m earned in the previous year. This reflects the fact that the demand for platinum group metals from Rustenburg held up longer than earlier anticipated and it was not until the last quarter of Rustenburg's financial year that a sharp decline in that demand occurred. The demand for platinum from Rustenburg at its price of \$475 per troy ounce has continued to fall during the current year, a fact to which I refer in detail later in this review.

The provision for renewals and replacements was R33,0m (1980: R33.7m) and the liability for taxation together with the provision for tax normalisation was R113,2m (1980: R114,4m). Profit after taxation was therefore R120,0m or 95,8 cents per share compared with R125,6m or 100,2 cents per share in 1980. Dividends were increased by 12.5 per cent to 45 cents per share and R63.6m was transferred to reserves.

These results reflect a 9 per cent increase in revenues from the sale of metals primarily as a result of the higher price received for platinum during 1981 together with a higher volume of sales of nickel and copper. Working costs increased by 21,6 per cent as compared with 1980. The largest component of this increase arose from the wage adjustments granted to employees.

The inflow of funds to the group after provision for, taxation and payment of dividends during the year amounted to R103,6m. Expenditure on mining assets amounted to R48,7m. R31,0m was invested in Matthey Rustenburg Refiners, working capital was increased by R19.0m and R4.9m was spent on feasibility studies and on an increase in stores and materials.

Platinum is a cyclical industry and Rustenburg has deliberately over the last few years strengthened its financial position to be better able to endure the lean periods such as that at present prevailing in the market. At 31 August 1981, Rustenburg had net current assets (including cash of R106,2m) of R82,8m.

# THE PLATINUM PRICE

The free market price of pletinum oscillated between a high of 5722 in September 1980 and a low of 5390 in August 1981. Throughout the year Rustenburg's published price for platinum was \$475 per troy ounce. The free market price fell below Rustenburg's price for the first time during the year in January 1981. It then fluctuated around Rustenburg's price until Mey when it again fell below \$475 and it remained in a range between 5462 and \$380 for the rest of 1981.

This behaviour of the free market price of platinum was not entirely unexpected as the earlier hopes of a recovery in the economies of the developed industrial countries of the Western world aborted. That and the very high interest rates which prevailed as a result of policies aimed at reducing infletion particularly in the United States of America and the United Kingdom but also generally elsewhere, depressed the demand for platinum both from Rustenburg's traditional customers and investors and speculators alike. The risk, to which I referred last year, that significant quantities would be sold back at the free market price to users from the latter, thus came about and is

Platinum has not been alone in this as all precious metals fell from favour to more or less the same degree as investors and speculators switched into other avenues of investment, Indeed the free market prices of platinum and gold moved in tandem, throughout the year though the free market price of platinum has now been below that of gold more or less continuously since November 1980, whereas it has normally been higher by some 20 per cent. This seems to reflect the continued emphasis on the monetary facet of precious metals and to ignore the fact that platinum is also a strategic industrial metal with a proportionately larger base for its industrial usage.

# AUTOMOBILE INDUSTRY

The level of automobile sales by American manufacturers failed to ahow any marked improvement and in fact for the first eleven months of 1981 was a little over 4 per cent below the corresponding period in the previous year. As a consequence the demand for platinum for use in catalytic devices on American automobiles fell below that of the previous year. This fall was exacerbated by technical advances which diminished the amount of platinum group metals needed on particular models to meet the current emission control standards. In contrast, sales of Japanese automobiles continued at e high level

The United States automobile industry has now had three bad vears in succession and whilst it is difficult to see an immediate change for the better in its fortunes there is evidence of e growing pent-up demand in North America as a result of the increase in the average age of the automobile in use there. This should sooner or later be translated into purchases of new cars and obviously a fall in the rates of interest would further encourage that to come

Rustenburg has also entered into contracts with automobile manufacturers elsewhere and is due to begin to supply metal under the first of these before the end of the current financial The extent of the future demand for platinum from the automobile industry in the years that lie ahead remains difficult

to assess. Certainly the trends in the United States of America

towards smaller cars and diesel-engined automobiles have

continued and the automobile manufacturers will probably

continue to make technical advances whereby they need smaller

vehicles and finally whether standards will be imposed for dieselengined vehicles. Controls in respect of the level of particulate emissions from the latter are likely to become an increasingly important issue. To this end research and development work is being carried out by Johnson Matthey Incorporated in America who have already made substantial progress towards the elimination of particulates from diesel exhausts using e platinum The use of platinum as a catelyst either on heavy duty or dieselengined vebicles would result in a substantial increase in demand. It remains, however, likely that as time passes increasing quantities of platinum will be recovered from converters from scrapped automobiles but supplies from that source are likely to be very sensitive to the free market price. **JEWELLERY** 

amounts of platinum group metals to meet the pollution control

standards for any particular car. Congressional hearings are at

present being held into what, if any, amendments of significance

should be made to the currently prescribed standards. It would be

imprudent to comment until the outcome is known except to say

that there bave been significant benefits in America and

elsewhere from the imposition of these regulations. It is also not

vet known with certainty what standards for pollution control

will apply in-1984 when they are due to be applied to heavy duty

The net imports of platinum into Japan increased substantially during Rustenburg's financial year to 1 139 600 ounces. This was 37 per cent higher than the previous year. The demand for

likely to be somewhat in excess of R80m financed equally by Johnson Matthey and Rustenburg. It is, of course, a matter for regret that this figure of the final cost has bad to be regularly revised upwards but when the point is reached where this new refinery can treat the whole of Rustenburg's production (which is anticipated in April 19821, considerable savings in terms of the overall refining costs and a higher level of recovery should be realised.

### EMPLOYMENT PRACTICES

Further progress was made during the year towards an integrated wage scale when another significant wage increase was granted. Wage increases granted over the past three years to our black employees have, in fact, amounted in the aggregate to 113 per cent. It is therefore pleasing to be able to record particularly the present market circumstances, that the gains in productivity during the same period have also been substantial.

Compared to 1974, the mill throughput for Rustenburg Platinum Mines in 1981 increased by some 30 per cent, whereas the total labour complement actually decreased by about 8 per cent over the same period despite the fact that in the interim Amandelbult Section was brought into production and developed

It has, I regret to say, not yet proved possible to reach agreement with the Mineworkers Union on the introduction of changes to the organisation structure on Rustenburg mines to allow better utilisation of its human resources. As the



Chairman's Review by Mr G. H. Waddell

The thirty-fifth annual general meeting of the company will be held in Johannesburg on 27 January 1982.

platinum for use in jewellery recovered with the fall in the free market price on which this sector of the industry is largely based and this has continued to date. During the first two months of Rustenburg's current financial year imports of platinum into Japan have been 10 per cent above those in the corresponding period to October 1980.

There was again encouraging progress in the off-take for platinum for jewellery in West Germany and the United States of America. In the United Kingdom given the economic conditions within that country the level of sales was satisfactory. The level of off-take in the aggregate within these three countries remains very small in comparison to Japan where, as I have said, there was a substantial increase in demand despite increasing competition from gold. It is therefore important that Rustenburg should continue to promote efforts to widen both the variety and range of platinum jewellery and to make it readily evailable for sale in these countries and elsewhere. Of equal if not greater importance is to foster further improvements in the design and quality of the

# INDUSTRIAL DEMAND

Given the economic conditions which prevailed in the major western developed countries during the year, general industrial demand held up reasonably well until late in Rustenburg's financial year and still continues to do so in Japan.

The picture was as usual mixed. Demand for use in the manufacture of nitric acid continued at a reasonable level and the same was true for the oil industry despite the fact that refineries continued to operate at less than full capacity. The sale of platinum in thermocouples was surprisingly good particularly in Japan. In contrast, as a result of the recession in the United States of America in the entomobile, leisure craft and construction industries, the demand for platinum in the manufacture of fibre glass fell and continued to do so as the rate of new housing starts in America declined further. Sales to the chemical industry also declined. The demand for platimum for the production of optical glass decreased in the United States of America and Europe latt was better maintained in Japan.

The prices for other platimum group metals declined in similar fashion and though demand for palladium held up well it was only possible to effect sales at prices very substantially below those realised in the previous year. Major markets for rhodium are the entomobile and glass industries and as a consequence sales fell significantly in terms of both quantity and price. Revenue from nickel increased substantially as Rustenburg sold a larger quantity at a higher price though in recent months the price of nickel has weakened as indeed has that for cobalt.

# BASE METAL REFINERY

The new Matthey Rustenburg Refinery was officially opened on 14 October 1981. This refinery has been planned to have the capacity to produce 19000 tons of nickel, 11000 tons of copper, 2500 tons of cobalt sulphate and 45000 tons of sodium sulphate crystals. This is in excess of Rustenburg's present capacity to produce but should stand Rustenborg in good stead in the future. The final cost of this new refinery cannot yet be determined but is

implementation of such changes is both desirable and in time inevitable, it would seem to me to be in the interest of all the parties involved to more forward now rather than later. The proposals that Rustenhurg put to the parties concerned were formulated ou a basis designed to safeguard the interests of all its

The demand for platinum continues for a wide spectrum of usage though not surprisingly at a somewhat lower rate in the light of the recession in North America and Western Edrope. The present business is being conducted predominantly on the basis of the free market price and our customers have reduced their take from Rustenburg to their contractual minima. The result has been a very considerable fall in Rustenburg's sales in the current year to date and this is likely to continue for as long as the free market price remains substantially below Rustenburg's price. It is thus vital that the balance of supply and demand be re-established and Rustenburg has therefore already adjusted downwards its level of production at the Rustenburg, Union and Amandelbult mines. This has been done on the basis of natural wastage and will

therefore have a cumulative effect. It is unfortunately impossible to gauge the quantities of platinum available for delivery at the free market price and even though I suspect that stocks of metal held by speculators and investors may have been substantial in June 1981, they will have decreased significantly since and indeed the reduced level of known stocks tends to corroborate that view. If that is so, this absorption of metal held temporarily in the hands of those what are neither users nor more permanent holders of platinum will prove-once it is over to have been a healthy development for the industry though the cycle may recur in the future. The handation of stocks held by others than the producers is primarily mony and by the desire to realise cash to be invested elsewhere and consequently the price realised for the platinum appears to be a lesser factor. For the present, therefore, there seems no advantage to be gained by Rustenburg in matching the free market price, as that price would seem likely only to fall hirther and it is unlikely that Rustenburg would sell significantly larger quantities.

Rustenlang's profits for the first half of this year are likely to be severely lower than last year and the same is true for the year as a whole and indeed until either a better balance of demand and supply is established at Rustenburg's price or until there is an economic recovery in the United States of America and Western

I wish to place on record my appreciation to Johnson Matthey Public Limited Company our sole marketing agents and to all both at Hend Office and on the Mines for the work they put in during the year under review.

Johanneshurg 7 January 1982

Cepies of the Review and Report and Accounts are obtainable from the London Secretaries: Barnalo Brothers Limited, 99 Bishopsgate, London EC2M 3XE. Control of the State of the Sta

and profit

as high as £300m. Whessoe has taken advice made in the accounts.

engineering contributed trading profits of £5.04m (£1.97m). The balance sheet shows fixed assets of £14.25m (£14.31m), pet current assets of £8,35m (£5,11m), and shareholders'

STARTING the current period increased to £5.09m (£1.03m) in a situation consistently strong and bank overdrafts and loans were much lower at £3.81m Meeting, St Ermin's Hotel, SW, January 28 at noon.

> W. Canning has announced shore waters as at December 31

1981. The purchaser is Oil Pollution

The purchaser is Mr F. Waterworth who has been

sent three employees will continue under the new, ownership. The effect of these two sales on the assets and profitability of W. Canning group is

Closing Vol.

12**6**p

129p

392p

166

50 2.50

a F.278 -- F.23,18

F.52.10 8713 F,47.60

F.91.30

F,136

1,50

2.70 1.70, 5.50 g

18 -

5 2.40 -

Grindlays Bank

5551 .

C=Call

4.30 2.20 1.10

0.90

1.00

8.30

- F.148.50

10 54 7

0,10

LONDON TRADED OPTIONS Jan. 7 Total Contracts 1,792. Cally 1,625, Puts 166.

Ex'rcise Closing Vol.

ICI (o)
ICI 1c)
ICI (p)
ICI (p)
Land Sec. (c)
Mks & Zp. (c)
Shell (p)
Shell (p)
Shell (p)

124 NL 21 87-21

10% NL a0 a6-95

the loog term of being at a dis-

about 3m tonnes annually.

information about the business

and will be invited to discussions

with Blue Circle. The parent

list of bidders and may then

invite revised offers. Full con

sideration will he given, it says

to the future of the subsidiary

RTZ builds up

Rio Tinto-Zinc has acquired a

further 5.55m shares of Thos W. Ward in the market at 230p per

hare cum dividend, equivalent

to the value of its cash hid for

announced the day before

the total. Acceptances received from Ward shareholders by

January 6 accounted for

wrote to shareholders urging them not to help the bidder by

market. He said he would he

writing to them again shortly

with detailed comments on the

CAMBRIDGE PETROL

ROYALTIES OPTIONS

Cambridge Petroteum Royalties

has allotted 372,789 ordinary shares after having exercised all

the outstanding options originally

granted to Cambridge Royalty Company of Houston, Texas, but

disposed of by that company in December 1980. The options gave the right to subscribe for

new shares at 175p per share and

Cambridge Petroleum Royaltles

accordingly received subscription monies of £652,000. There are now 5m ordinary shares of the company in Issue Including the

Ransomes Sims and Jefferies

of Ipswich has announced the

sale of its woolly owned sub-

sidiary distribution company, Ransomes Grass Machinery

(Scotland). ... The -- company,

which will continue its present

activities from Edinburgh and

James Neill Holdings sold the

unexpired term (173 years) of

its leasehold in premises in Handsworth Road, Sheffield. The

sale was .made to ICFC Pro-

perties for £1.93m on December

31. The whole of the premises

were simultaneously leased back

1,850,440,65

RANSOMES SELLS

SUBSIDIARY

JAMES NEILL

further 3.15 per cent.

revised hid.

Ward stake

to 24.9%

The subsidiary has about a 3

# Blue Circle offshoot sale may bring bids of £40m

Blue Circle Industries, the quarries, bids for its West Midlandsbased sand and gravel quarry-additional gravel bearing lands ing subsidiary. Blue Circle owned by Blue Circle. Aggregates. A tendering process be conducted by Baring Brothers and bids are expected

to fall in the region of £20-49m. The subsidiary bas contrihuted annual profits to the group of about £2m over the last five years, but the eventual sale price is expected to relate more in the asset value. Its assets include 12 operational therefore faced the prospect in

comeot manufacturer, will invite quarries and some on-site plant. The sale will also involve

Blue Circle said vesterday it had decided to sell in view of 2 growing domination of the aggregates ioduatry by vertically integrated groups "where aggregate extraction is only part of the production operations." Good customers precluded Blue Circle from following this path and it

# **London Shop rejects 135p** a share Rosehaugh offer

BY WILLIAM COCHRANE

London Shop Property Trust yesterday flatly rejected this week's 135p-a-share hid from Rosehaugh, which valued the company's equity and near-

Rosehaugh's offer was subject to two major conditions: the commendation of the London Shop hoard: and London Shop voting against Londoe Shop's own proposal of a merger with its sister company, Beaumont Properties, at a shareholders' meeting next week

In a letter to shareholders, London Shop's chairman, Mr J. Hugh Jones, says: "Were Rose-haugh to proceed with the proposed offer your board would strongly advise its rejection as being totally inadequate."

City observers expect that Rosehaugh will increase lts hid, possibly today. The company's advisers, J. Henry Schroder Wagg, have been taking soundlngs among the institutional shareholders which hold some

that an increase in the offer-to perhaps 150p a share might meet with a better response.

mean that London Shop has given up the fight to stay independent in its own way. "We are confident," OWN Way. said Mr Jones yesterday, "that the merger with Beaumont is the right thing for both sets of shareholders.

Mr Jones also sounds sure, at least for the moment, of the backing of Sir Cyril Black and his family, long standing share-holders in London Shop with an estimated 15 per cent of the

London Shop's chairman also revealed that more changes at non-executive director level were partner of City surveyors Dron and Wright, was appointed to

the hoard six months ago.
"Non-executive, hut giving time to the company," was the way Mr Jones put it. He expects two such appointments

# Ladbroke sells off public house chain and racetrack

hetting and hotels group, is selling off its R. V. Goodhew chain of 19 public houses to Chef and Brewer, a subsidiary of Grand Metropolitan. At the same time the group is also selling the racecourse at Lingfield Park, Surrey, to a company controlled by Mr R. A. Muddle, a husinessmao with racing interests.

Chef and Brewer is the largest madaged house group in the UK, the latest acquisition giving it a total of 1,619 public bouses. Of the 19 pubs being acquired from Ladbroke 13 are in the Greater London area. The total number place on March: 1. of public houses in the Grand Met group amounts to some Watney breweries.

# HEMDALE ACCEPTS

Acceptances of the offer hy Southbrook and City Holdings for Hemdale Film Group have received in respect of 5,594,922 shares (88.67 per cent). With the 488,793 shares already held, this amounts to 7,083,715 sbares (95.24 per cent).

The offer la unconditional as to acceptances and the closing date is extended.

It remains conditional on Hemdale holders approving the resolution to dispose of Hemdale Leisure Corporation Incorporated to Ritexa at an EGM oo January

Brasilvest S.A.

Net asset value as nf

30th December, 1981

per Cr\$ Share: 101,206

per Depositary Share:

per Depositary Share:

(Second Series)

U.S.\$6,863.24 per Depositary Share;

U.S.\$5,840.70

per Depositary Share:

U.S.\$5,456.45

**alockholm**, January 1982

Ladhroke said yesterday that the opportunities to expand tavern operations in the London area are extremely limited and in view of the offer received it was decided to sell,

The company added that this will coable it to concentrate its activities in South Wales where its subsidiary, Asteys, operates in both the deensed and the unlicensed sectors.

The contract for the sale of Lingueld Park provides for the continuation of racing for a minimum period of three years. Completion of the sale is to take

olic houses in the Grand

The sale proceeds of both Glasgow, has been acquired for transactions will be applied as £800,000 by Frews Tractors of part of the capital investment Perth which already distributes and transactions of the botel and Ransomes products in other leisure divisions for 1982.

# LOFS PURCHASE

Overseas Freighters has bought out the minority in Welsh Overseas Freighters for £2.66m in cash. LOFs has owned 51 per cent of the company since it started trading 21 years ago. The company's principal asset is a 27,107 dwt hulk earrier, the Welsh Voyager," huilt in 1977. At March 31 1981 the net

was £4.9m including cash of £2.3m. Net profits for the year ended March 1981 were £342,278

# LINFOOD HOLDINGS

Linfood Holdings expects to complete the sale of its harely profitable Delivered Wholesale division before the end of its Subject to the approval of its shareholders at an extraordinary meeting on February 5, the stores, cash and carry and wholeaale group wilt aell the division to its existing management team in an asset-related deal which is expected to he worth £21m. The division is to be re-named AFD Holdings.

NO PROBE

The acquisition by Renault Vehicules' lodustriels of 50 per cent of Karrier Motors with not be referred to the Monopolies and Mergers Commission.

# Svenska Handelsbanken

US\$30,000,000 91% Bonds 1976 (77-86) NOTICE IS HEREZY GIVEN that pursuant to paragraph 4 of the terms and conditions bonds in the amount of US\$1,000,000 for redemption as per 1 March 1982 will be withdrawn from the Sinking Fund. A drawing by lot of bonds will not be effected this yeer. The amount outstanding after redamption as per 1 March 1982 will be US\$24,000,000.

Svensks Handelsbanken

# Brockhouse Limited

Hill Top. West Bromwich, West Midlands Extracts from the statement by the Chairman, Mr. R. J. H. Parkes.

**CASTINGS AND FORGINGS** A traumatic year. Position stabilised; profitable trading now coming through. **GENERAL ENGINEERING** Little upturn seen in immediate future but an improving situation expected by mid 1982.

HANDLING AND PROCESS PLANT An excellant year. A good year ahead foracast,

At home prices hardening; future now more encouraging. **OVERSEAS** 

Dividand par share

A good performance. "I am optimistic that the year eheed will produce a return to profitebility and a firm base for future progress. Rasults tn 30th Septambar £58,915,000 Loss bafore Tax

1.00p

# Rustenburg Platinum is feeling the pinch

BY KENNETH MARSTON, MINING EDITOR

MINING NEWS

advantage to larger competitors. UNDER NORMAL circumstances Europe," gays Mr Waddell. the price of platinum on the per cent ahare of the cational free market (which is largely aggregates market, preducing supplied by Soviet material) is Bidders will receive full some 20 per cent above that of free market platinum prices anticipates drawing np a short have fallen below those of gold. At the moment free market platinum ia about \$378 per ounce compared with \$397 per ounce for gold while the "producer" platinum price quoted by the major western mines remains at

\$475 per ouoce. Mr Gordon Waddell, chairman of the world's leading producer of the metal South Africa'a Rustenburg Platinum Holdings. says in his annual review that tha fal in the free market price of platinum, along with that of tinued emphasia on the monetary facet of precious metals and to ignore the fact that platinum is also a strategic industrial

This has brought RTZ's stake in Ward's ordinary equity up to Be that as it may, demand for platinum at the prodocer price continues to fall and significant quantities of the metal are being purchased by con-sumers from the cheaper free Cuetomers of Rustenmarket. Reiterating the Ward hoard'a rejection of RTZ'a hid, Mr Peter Frost, the chairman yesterday hnrg's are thus restricting their purchases to the contractual minima.

Consequently. profits for the first half of the current year to August 31 " are likely to be severely lower " than in the same period of 1980-81 when net profits fell by 2.7 per cent for the full year.

'The same is true for the (current) year as a whole and, until either a helter halance of aupply and demand is established at Rustenburg's price or until there is an economic from the poor platinum market, recovery in the U.S. and Western stand at 330p to show a higher

Why does not Rustenburg lower its selling price to nearer the free market levels? Mr Waddell answers this by pointing out that free market platinum gold. But since November 1980, stocks beld by speculators have now diminished and "the limitidation of stocks held by other than the producers is primarily motivated by the desire to realise cash to be invested else-

> appears to be a lesser factor. "For the present, therefore, there seems no advantage to be gained by Rustenhurg in matching the free market price, as that price would seem likely only to fall further and it is unlikely that Rustenhurg would sell significantly larger quantities," says Mr Waddeti.

The company clearly feels that period. it can avoid having to compete for sales in a falling market strong financial position which has been built up over the past few years in order to face lean times such as these.

When the eventual recovery comes Rustenburg has the pro-ductive capacity — and metal stocks—to make the most of the revival io demand. But in the meantime some reduction appears, to he on the cards for the, rather unexpectedly, increased dividend of 45 cents (24.5n) paid for the year to last August.

times hy earnings and at the current price of 214p Ruatenburg shares show a yield of only 11 per cent. Shares of the rival Platinum, however, which is no doubt also suffering from the poor platinum, market,

yield of 18 per cent on a twicecovered dividend.

# Nchanga's new copper plant

ZAMBIA'S state - controlled Nchanga Consolidated Copper Mines (NCCM) says that construction ia to start soon on the third stage of its K206m (£122m)

The plant, which will recover remaining copper from the waste material, is doe to come into operation in the last quarter of 1984. It will provide a cheaper method of obtaining new copper than shaft-sinking and is ex-perted to produce 524,000 tonnes of the metal over a 15-year

Engineering design and con-Zlamhia Engineering Services. Plant construction will he conacted out to Zamhian firms. Estimated profitability of the new plant over the first 12 years

cluding tax. The Zamhian Government's tax share is put NCCM and Zambia's other state-controlled copper company, Roan Consolidated Mines, are expected to complete legal asnects of their merger arrangements at around the end of March forming the new Zambia Consolidated Copper Mines.

where and consequently the tailings (mine residne) leach plant at the Chingola mina division. price realised for the platinom

> Material for the new plant will come from tailings dams around the Chingola division which have

built up since mining started there in 1939. NCCM said it is assembling project funds from various in-ternational lending houses.

struction management with he provided by NCCM and its wholly-owned British subsidiary, of operation is K523m after depreciation and interest but ex-

# **Guinness Peat seeks to** solve long-running row

THE Guinness Peat hoard will meet today to discuss possible between Mr Edmund Dell, the group's chairman and chief executive, and Lord kissin, the founder and life president.

Guiness Peat's advisers, Morgan Grenfell, aod Lord Kissin's advisers, Hambros Bank, bava held a series of meetings over the last month, following the announcement that Lord Kissin was preparing lo ing in an executive role, but is make a partial hid for a "signification still anxious that the group

November 1979, the group's profits have fallen sharply, the dividend has been cut and several old-established group investments have been sold. Lord Kissin is understand to have been nnhappy at the speed with which many of these sales have been completed and the new direction the group has been taking. Other non-executive directors are understood to be sympathetic to views and prepared to back to the company for a 50-year

The Bank of England has been Moore and Wright, manufacdrawn into the affair and has turers of micrometers and other been helping both sides in their precision tools, and a whollysearch for a compromise. Several solutions have been canvassed, but the one which owned subsidiary of the company, will continue to occupy the premises.

restructuring of the seolor management. One suggestion is that a new chief executive will he recruited from outside the group and Mr Dell will concentrate on the group chairmanship.

Several candidates are uoderstood to have been sounded out. However, any candidate will need the support of the Guinness Peat board and Lord Kissin which could be difficult. Lord Kissin has shown no interest in returncant stake" in the group—
should be given the sort of
thought to be 20 per cent.
Slace Mr Dell took over as
will inspire the staff, many of personally.

Since the possibility of a partial bid was announced in December, the Guinness Peat share price has gyrated. Last night it closed lower at 93p.

# WESTERN SELCTN.

Selection Western Development has agreed, subject to contract to sell its wholly owned subsidiary British Patent Glazing Company to Aluminlum and Timber Securities. The sale price will be hased on the net asset value of BPG as at September 30 1981, and is subject to agreement hetween the parties.

# Holden board not told of IP purchase

Arthur Holden, the specialist yesterday responded quickly to the acquisition of a 12 per cent stake in the company by Inter-national Paint, a subsidiary of Courtaulds.

Holden said that the purchase was made without "the knowledge or consent of the directors of Holden." The company said that the directors of Holden wish to state that they do not share the belief of IP in the desirability of a closer relationship hetween the two com-

### **SOGOMANA IN** LAND TALKS

Sogomana Group says It is negotiating with a Malaysian company for the sale of 527 acres of Shelford Estate at a price of approximately MS35m (SS.1m). These negotiations are at an early stage and completion would he subject to approval of the Malaysian

### ESPLEY-TYAS/ QUEEN STREET

Espley Tyas, property group, has received acceptances to its offer (including those not valld in all respects I in respect of 13.530,215 ordinary shares in Queen Street Warehouse (Holdings1 (88.63 per cent). The offer is now closed.

### UNITED CARRIERS PARCELS EXPRESS

United Carriers has purchased the outstanding 75 per cent interest in Parcels Express from Greater Manchester Passenger Transport Executive together with the freehold premises from which Parcels Express operates at Parrs Wood, East Didshury, total consideration is

satisfied by 317,202 ordinary shares which have been placed on hehalf of the vendors to realise £480,000 net

### ARBUTHNOT LATHAM The recommended offers made

hy County Bank on behalf of Dow Scandia for Arbuthnot Latham Haldings were declared unconditional in all respects on November 19 1981.

Dow Scandia has announced that, having received sufficient acceptancea in respect of its offer for the 5 per cent cumula-tive preference shares of ALH, it intends to exercise the powers conferred by section 209 of the Companies Act 1948 to acquire compulsorily all the outstanding preference shares of ALH.

All the offers remain open for acceptance until further notice.

# PERMANENT GP.

Mr Philip Baldwin of Price Waterhouse, as receiver of Permanent Unuses Group has concluded the agle of two of its haulage subsidiaries.

The companies. Himpsold been sold for an undisclosed sum to Peter Ford Transport.

Association's E per cent cumulative preference shares has been cancelled-more than \$6 cent have been acquired by Claverley Company. Application to make apecific bargains in the shares under Rule 163 (2) may he submitted.

# BASE LENDING RATES

EUROPEAN OPTIONS EXCHANGE

A.B.N. Bank Allied Irisb Bank American Express Bk. 1419 Amro Bank ...... Henry Ansbacher ..... Arbuthnot Latham 141%
Associates Cap. Corp. 15 %
Banco de Bilbao 141%
BCCI Bank Happalim BM 141% Bank of Cyprus 141% Bank Street Sec. Ltd. 16 %

P.17.50 F.20 F.23.50 F.25

135, 11M, 150

TOTAL VOLUME IN

Bank of N.S.W. Banque Belge Ltd. Banque du Rhone et de la Tamise S.A. ..... 15 % Barclays Bank ...... 141% Beneficial Trust Ltd.... 151% Bremar Holdings Ltd. 1516 Bristol & West Invest 16 % Brit Bank of Mid. East 1446 Brown Shipley ........ 15 % Canada Perm't Trust... 15 % 

Choulartona 15 G Citihank Savings 115 G Clydesdale Bank 144 G C. E. Coates 15 9 C. E. Coates 15 %
Consolidated Credits 141%
Co-operative Bank 141% Corinthian Secs. 1410 The Cyprus Popular Bk. 1417 Duncan Lawrie 144%
Duncan Lawrie 144%
Eagl! Trust 1446
E.T. Trost 144%
First Nat. Fio. Corp. 17 %
First Nat. Secs. Ltd. 17 %
Robert Fraser 15 %

Grindlays Bank 1153%
Guinness Mahon 144%
Hamhros Bank 144%
Heritable & Gen Trust 144%
Hill Samuel 314% Hill Samuel C. Hoare & Co Hongkong & Shanghai 14% Knowsley & Co. Ltd. 13% Lloyds Bank 144% Mallinhall Limited 144% Edward Manson & Co. 1510 Midland Bank 1410 Samuel Montage Samuel Montagu: Morgan Grenfell 1993
National Westminster 1413
Norwich General Trust 1873
P. S. Refson & Co. 1413
Roxburghe Guarantee 15 %
E. S. Schenburghe Slavenhurg's Bank Standard Chartered Trade Dev. Bank Trustee Savings Bank

TCB Lid. 144%
United Bank of Knwait 144%
Whitesway Laidian 15 %
Williams & Glyn's 141%
Wintrust & Secs. Ltd. 141%
Yorkshire Bank 141% Members of the Accepting House Committee
7 day deposits 12.50%, 1-month
12.75%. Short term 28,000/12
mouths 18.49%
7 day deposits on sums of Fin position
13% and under 121%, up to 255,000
13% and over 550,000 134%.
Call deposits £1,050 and over
124% Demand deposits 125.% 21 day deposits over £1,000 134.% Mortgage base nate.

# BANK RETURN

BANKING DEPARTMENT Liabilities 2,138,814,820 · 182,168,718 108,610,000. 2,138,814,820

# ISSUE DEPARTMENT

Liabilities 10,975,000,000 10,968,441,521 6,558,479 625,000,008 608,759,034 16,240,866 7,738,065,916 3,225,218,984 10,975,000,000

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Haulage and Permatrans, have three companies are based The Permanent Houses Group went into receivership October 1981,

# MIDLAND NEWS.

The listing of Midland News

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# Dispute over three ships threatens Reksten settlement

BY FAY GESTER IN OSLO AND WILLIAM HALL, SHIPPING

A DISPUTE over the future of companies in Kristians and Norwegian authorities.

The deal involved nine of The Rristiansand companies Relation fleet of 12 tankers were not parties to the Decembeing shared out among ber agreement nor does it offer Hambros Bank the Norwegian them any compensation for the Guarantee Institute and the loss they are bound to take on Aker shipbuilding group: In the eventual sale of the Vesaddition, Hamiros, which was pasian and Octavian because of first priority mortgage lender on many of the vessels, agreed to inject about \$25m of cash and the Norwegian authorities dropped plans to sue the mer-chant bank:

volved with the three remaining tankers not covered by the agreement (Octavian, Cyprian and Vespasian) have now indicated that they are not going
to relipquish their right to sue
Hanhros Bank, which was involved in putting together the
rescue of the Reksten fleet
when it ran into financial difficulties in the mid-1970s. It is understood that a con-

dition of last month's agreement with Hambros was that all of Reksten's creditors would

FLEXI-VAN

A DISPUTE over me roure or companies in Kristians and—the three remaining tankers in Redernes, Skibskrediterforening the troubled tanker fleet of the and Norges Skipshypotekforenlate Mr Kilmer Reksten, is ngl. Together with two other threatening the preliminary ship mortgage companies—one agreement reached last month in Bergen, and one in Oslobetween Hambros Bank and the they have stakes in the three Normanies.

the severely depressed tanker

The cash and other payments and the Norwegian authorises promised by Hambros under the property of the Guarantee deal will go to the Guarantee Institute, which provided loan guarantees for the Reksten guarantees not covered by the creditor.

Of the four ship mortgage company has not, so far, com-mitted itself either way. It has large stakes in both ships.

The Kristiansand companies now hope to negotiate soma arrangement which will reduce The creditors who may topple part the Norwegian Government the settlement are two jointly- has indicated that no governadministered thip mortgage ment cash will be forthcoming.

vehicle, about \$18m from this sale.

trader and container leasing. The planned charges amount group, disclosed that several to \$18.8m. These result from planned charges against fourth adjustments that include the requarter earnings will wipe out winatilon of certain assets to

the gains-expected from its pre- more accurately reflect realis

release schedule for 1982 is generating significant tax \$19m charge at Flexi-Van credits which will result in income tax henefits.

nection with the purchase of United Artists and shareholders were told last year that its debts, which then included \$179m of the United Artists financing, were tied to prime rate in the shape of short-term bank loans. Interest charges cut into net

# Strong opening quarter at MGM Film

EARNINGS HAVE risen sharply in the first quarter at Metro-Goldwyn-Mayer Film but the company warns that the second quarter could be "severely impacted i"f there is no upturn in the currently depressed gross takings at U.S. cinema box offices.

Mr Frank Resenfelt, the chairman, said, however: "I am not unduly concerned since I believe the situation is a temporary one."

At the end of the first quarter, net earnings at MGM Film, which was set up in 1980 when the former Metro-Goldwyn-Mayer group was split into its constituent parts hotel/casinos and film entertainments, have jumped from \$5.6m to \$9.8m or 20 cents a share, on sales of \$208.4m against \$33.7m. But this year takes in an unspecified contribution from Unitel

Mr Rosenfelt commented that box office sales of the U.S. cinema industry were "well below expectations," with MGM's three Christmas releases adversely affected. He blamed the weak state

of the U.S. box office on recent strikes in the industry and on "other labor problems" in the economy.

### viously announced sale of tax able value, and settlement exdeductions and credits. It plans to include in oper. In 1980-81 the group earling earlings for the quarter \$19.4m on sales of \$191m. In 1980-81 the group earned

Air France 14, 86 FFr... Air France 14, 86 FFr... Air. America 14, 88 FFr Chairbinages 13, 85 FFr E18 14, 88 FFr

if The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which Closing prices on January 774 787, -04 -05 13.04
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Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier. Heating Rate Motes: Denominated in deliars unless otherwise indicated: Coupon shown is minimum. C.dre = Osts next coupon becomes effective. Spraed = Margin above iss\_month; offered rate [† three-month; § above mean rate) for U.S. deliars. C.cpn = The current coupon. C.yid = The current yield.

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The Financial Times Ltd., 1982. Reproduction in whole or in part in any form not parameted without written concent. Data supplied by DATASTREAM International.

Artists Corporation, acquired for \$380m last year.

The company said its expanded film and television

MGM Film arranged a \$200m line of credit in con-

# FRN raised to \$400m

By Alan Friedman

FRANCE'S standing in the international capital markets received a boost yesterday as the \$250m five-year floating rate note offer for Banque Française du Commerce Exterieur (BFCE) was increased to \$400m because of stroog demand.

.The success of this issuebelieved to he the largest floating rate note—was seen by bankers last might as dispelling lingering doubts expressed about the creditworthiness of France and French institutions since President Mitterrand took

The BFCE paper carries a mean of the bid and offer of six-month Eurodollar rates. The minimum coupon is 51 per cent. Lead-manager is Credit Snisse First Boston.

One of the reasons why the BFCE issue is going so well is the current lack of competition from other issues. In addition, the fixed-rate Eurobond market is in some difficulty as dealers try to find an eppropriate

Prices of fixed-interest Eurodoilar bonds continued to falter as European bankers looked for signals from the New York market of an upturn. The long U.S. Treasury bond market bas dropped hetween 3 and 4 points this week and Fed funds were yesterday ! per cent higher et 127 per cent.

FLOATING HATE

NOTES

Spread

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Genfinence 52 87 02 993 993 14/6 14.77

GENFINENCE SURVEY SURV In the Japanese coovertible bond sector, an \$80 15-year issue is expected today for Nippon Electric Deiwa Securi-ties is managing the offer

Nomura Securities said last night that it would be managing a Y20bn 12-year Samurai bond offer for Dow Chemical, the U.S. corporation. This will be the first time in two years that a allowed to borrow on the Tokyo capital market through an unmortgaged debenture. The last such borrower was Sears Roebuck and Company.

# Japanese to . issue \$800m in convertibles

By Our Euromarkets Staff

THE VOLUME of new Japanese convertable bond issues in the Eurodollar market is likely to be less than \$500m in the first quarter of this year. Although the new informal

system of self-regulation among Japanese securities houses is not scheduled to hegin until April, the securities companies have decided to agree among themselves on the flow of new issues for the January to March period. The \$800m in volume will be made up of fewer than 20 issues, several of which are expected in the next fortnight.

From April the Japanese houses operating in the Euromarket will put into effect an agreed system of new issue control. The quarterly volume is expected to fall below the 1.5bn previously expected.

The new arrangements for self-regulation developed as a result of the slump in prices and heavy selling of last September. This slump hit the Japanese convertible sector after the decline of the Tokyo equity market and the appearance of an extremely heavy volume of naw issues from Japanese companies.

U.S. Steel has taken over the 17th largest U.S. oil group. Paul Betts reports

# Little cheer as Marathon battle ends

THERE WAS a conspicuous acquisition of the country's confetti and champagne to mark the end of the two-month multi-billion dollar battle for Marathon Oil. U.S. Steel yesterday completed the acquisition of a 51 per cent controlling stake in Marathon, paying \$125 for each Marathon share. The country's leading steelmaker is to assume full control of Marathon by offering 12-year 12; per cent senior notes with a current market value of more than \$80

each for each remaining

Marathon share.

But there seemed to be little revelry both at U.S. Steel and the hard fought victory over rival bidder Mobil, the country's second largest oil company which tried to the very last minute to stay in the takeover race. This was in strengthen U.S. Steel and sharp contrast to the midnight enhance its future profit champagne brunch Du Pont when it triumphed over Mobil and Seagram last August in the earlier takeover battle

. The lack of any kind of celebration reflected, in e sense, feeling of deja vu on the part of the contestants in the Marathon battle. The takeover fight has dragged for two months, bogged down in courts. and clearly exhausted all parties.

But more significantly, it reflects the geoeral uncertaio. The interest earned on these ties surrounding. U.S. Steel's funds has sustained the commerger with Marathon and paoy's profits. leaves the important question of what Mobil, hungry for acquisition in the U.S. oil industry, will do next.

For U.S. Steel the \$6.4bn

seventeenth largest oil company with major assets in Texas and in the North Sea marks perhaps the most dramatic event in the steel company's history since it was formed in 1901. It will create a new industrial giant with sales of more than \$20bn a year, ranking twelfth in the Fortune magazine's list of the 500 largest U.S. groups just above Shell Oil of Houston.

For the steelmaker, the acquisition represents not only its biggest ever diversification but also a buge gamble. Mr David Roderick, the company's at Marathon beadquarters after chairman, has on several the hard fought victory over occasions assured that the aquisition did not mean his company was reducing its commitmeet to steel. He has claimed the takeover will strengthen U.S. Steel and ability.

But the ecquisition is an expensive one and will be diffi-cult to digest. The combined companies will have a debt to capital ratio of around 45 per cent, which by Wall Street standards is very uncomfort-

U.S. Steel will probably have to borrow about \$1.5bn to finance the transaction as well as deplete the cash hoard built up from sales of various assets, including coal and property. Marathoo, although rich In

oil and gas assets, is not cash rich. like other oil groups relying on heavy capital spending.

U.S. Steel is also by definition Steel's coal holdings. a capital intensive company with large future requirements. These requirements will now place a strain o nthe combined companies' financial position as, according to several Wall Street estimates, they will suffer cash flow shortages which could grow

After Mobil's failure to convince Chief Justice Warren Burger to delay U.S. Steel's bid, the steelmaker yesterday bought 30m of the 52.9m Marathon shares

to more than \$1bn in the next

tendered under its offer

three years. The gamble for U.S. Steel is all the greater because of the uncertain prospects of oil company earnings. The past year bave seen a flattening, and in many cases e decline, in earnings of major oil companies. U.S. Steel must now bope oil prices will start rising again as soon as possible.

Some people fear U.S. Steel will be forced to reduce its current commitment to steel. Others feel the ateelmaker will be forced to sell off some assets to finance the transaction, including perhaps Marathon's interest in the Brae field in the North Sea or perhaps U.S.

Lurking in the hackground is the uncertainty of what Mobil will do next. Will it, as it has suggested, raid U.S. Steel by acquiring 25 per cent of the steel company's stock to force it eventually to trade off some of Marathon's best oil and gas

For Mobil, the battle for Marathon has been another disapointment in a long list of similar failures to acquire a major U.S. oil company. The courts were responsible this for Mobil's defeat. Although the issue has yet to be fully resolved, the courts, both at the lower and highest levels, have given a clear aignal that they do not view favourably mergers of hig oil com-panles on strong anti-trust

It seemed that with the Reagan Administration and a more lenient policy towards anti-trust in Washington, the time had come for e flood of major oil company combina-tions. But the legal establishment and indeed the regulatory agencies heve proved far more rigid in the application of anti-trust laws than had been thought earlier. In some respects, the Reagan people appear to have been reconsidering and hack tracking all along as the wave of merger fever increased at alarming

Mobil's court setbacks will now probably put a cap, at least in the immediate future, on a renewed oil company merger wave. But if the conrts dealt the death blow to Mobil'a hopes so far in the past two years.

of acquiring Marathon, they nonetheless mada a precedent setting ruling which is likely to have major repercussions in future take-over battles.

The courts came down hard against the so-called sweetheart options Marathon granted U.S. Steel to lock in the friendly merger. This has been a practice, developed into a fine art by Marathon's investment banker, First Boston Corporation, which has been increasingly used in U.S. take-over battles.

What it amounts to is simply that a company threatened by hostile takeover gives a number of significant options either in shares or hard assets to the whita knight of its choice. This, Mobil claimed, was illegal and unfair as it was clearly not in the best interest of shareholders because it prevented an open auction. The courts agreed with Mobil end as a result future takeover battles are likely to become far more open bidding contests.

Even though the general view is that the lid has been placed on future takeovers involving oil companies, Mobil remains a derk and unpredictable horse in the oil industry. No one is prepared to place their bets that Mobil will not look at some other company. Already the names of Superior Oil, names of Superior Oil, Louisiena Land and Exploration, Getty Oil and Cities Service are being touted about. But this time, Mobil will probattempt a ably strategy rather than barge in

### AM International to cut French bank wages and workforce BY OUR FINANCIAL STAFF

AM INTERNATIONAL, the cuts in pay or even eliminate troubled U.S. office equipment maker, has cut the wages of all its domestic employees by 8 per ceot in an attempt to conserve its cash flow. It also has taken The company, which ran up a \$245m loss for its July 31 made "satisfactory progress" financial year, said the cut in on resolving its financial problems it would seek to reimburse who are on its payvages of its overseas employees hy January 31, although it said

it would review its position

before April 30 to see if it

· AM plans to cut its workforce of 17,000 by 5 per cent and said this, combined with the pay reductions, would save it \$24m in the next 12 months.

roll at the end of this year for the wage cuts. The reimbursement, to take place on December 31 1983 would consist of could reduce the scale of the shares, cash or hoth.

# Prudential acquires stake in Denver properties

BY OUR FINANCIAL STAFF

Development Company, a unit of Aetna Life and Casualty Company, and Miller-Davis Company, of Denver, have sold a major portion of their joint partnership interest in properties in Denver, Colorado, to Prudential Insurance Company of America for more than \$500m, The price consisted of cash and existing mortgages on tha property.

properties being sold of the First of Denver consist

URBAN INVESTMENT and Hotel and City Center Four. The transactions resulted in an after tax profit to Aetna of quarter of 1981 and will result in a further after-tax profit of between \$26m and \$29m in subsequent years.

Two parking garages are included in the transaction. Urhan and Miller-Davis plan

to complete construction of the Tower-Marriott Hotel huilding and City Center Four Plaza Building, Petro-Lewis and will continue to manage all Tower, Arco Tower Marriott of the properties being sold.

This announcement appears as a matter of record only.

# Grandi Motori Trieste S.p.A.

US\$20,000,000 Medium Term Loan



arranged by

Wells Fargo Limited

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The Toyo Trust and Banking Company, Limited

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Financial Advisor to the Borrowe

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Agent Bank

Wells Fargo Bank, N.A.



January 4, 1982

This Advertisement appears as a matter of record only. These Debentures have been sold outside Canada and the United States of America.

New Issue

January 7, 1982

# AN ALBERTA CORPORATION



(Incorporated by Special Act of the Legislative Assembly of the Province of Alberta)

U.S.\$100,000,000

164 per cent. Debentures due January 7, 1989

Issue Price 99½ per cent.

Union Bank of Switzerland (Securities) Limited Amro International Limited Banque Nationale de Paris

S. G. Warburg & Co. Ltd. Banque Bruxelles Lambert S.A. Credit Suisse First Boston Limited

Deutsche Bank Aktiengesellschaft

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Bank of America International Limited Algemene Bank Nederland N.V. Banca Commerciale Italiana Banca del Gottardo Bank of Tokyo International Limited Bank Leu International Ltd. Banque Populaire Suisse S.A. Luxembourn Banque Générale du Luxembourg S.A. . Banque de Paris et des Pays-Bas Bayerische Landesbank Girozentrale Berliner Handels-und Frankfurter Bank B.S.I. Underwriters Limited Burns Fry Limited Chemical Bank International Group Christiania Bank og Kreditkasse CIBC Limited Commerzbank Aktiengeselischaft Compagnie de Banque et d'Investissements, CBI County Bank Limited Creditanstalt-Bankverein Crédit Industriel et Commercial DG BANK Dentsche Genossenschaftsbank Dresdner Bank Aktiengesellschaft Daiwa Europe Limited Euromobiliare European Banking Company Limited Effectenbank-Warburg Aktiengesellschaft Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft Genossenschaftliche Zentralbank AG-Vienna Goldman Sachs International Corp. Greenshields Incorporated Hambros Bank Limited Handelsbank N.W. (Overseas) Limited Kleinwort, Benson Limited Kuwait Investment Company (S.A.K.) Kidder, Peabody International Limited LTCB International Limited McLeod Young Weir International Limited Lloyds Bank International Limited Midland Doherty Limited Merck, Finck & Co. Merrill Lynch International & Co. Manufacturers Hanover Limited Samuel Montagu & Co. Limited Morgan Grenfell & Co. Limited Morgan Guaranty Ltd Morgan Stanley International Nesbitt, Thomson Limited. The Nikko Securities Co., (Europe) Ltd. Nomura International Limited Richardson Securities of Canada (U.K.) Limited Salomon Brothers International Pierson, Heldring & Pierson N.V. Société Générale de Banque S.A. Skandinaviska Enskilda Banken J. Henry Schroder Wagg & Co. Limited Vereins-und Westbank Aktiengesellschaft Tradition International S.A. Swiss Bank Corporation International Limited Wood Gundy Limited J. Vontobel & Co. Westdeutsche Landesbank Girozentrale

# INTEX

This new Exchange is the fastest and most accurate futures trading system anywhere and it's world-wide. That's INTEX. Yes, that's INTEX.

Bermuda, June 17, 1982 — INTEX, the world's first automated futures trading exchange, plans to begin trading on this date. INTEX is fact.

- The INTEX computer and telecommunications system is a reality.
- Legislation has been passed in Bermuda to create the Exchange and its regulatory framework.
- Clearing will be handled by ICCH (Bermuda) Ltd., a subsidiary of International Commodities Clearing House Ltd. of London. M Scores of INTEX membership appli-
- cations have already been received from professional traders and major financial institutions all over the world.

INTEX has unsurpassed trading capabilities. The reason? It is the first fully automated exchange. A membership on this exchange gives you the right to install a sophisticated INTEX trading station at any location you choose, anywhere in the world. Your station ties you to the central computer in Bermuda. Your "seat" is that trading station which includes its versatile screen display, printing and keyboard entry facilities. So, from your station - whether in office or home—you can directly trade any of the INTEX executions hold no surprises. INTEX futures contracts.

These contracts will be unique and traded only on INTEX. Members and members alone instantly see all bids and offers and their size on their individual screens. Second by second, as the market changes, members can follow it visually. And when members trade for their own account, they get the added benefit of significantly reduced transaction costs.

For all the benefits, INTEX members will pay only US \$12,500. Consider these

# Fast

Every trade on INTEX is automatically confirmed in writing in seconds. No waiting, no delays, just quick, confirmed executions. This speed is assured by the INTEX network of state-of-the-art Tandem computers.

Along with the central computer complex in Bermuda, there will be addi-tional computers in London and New York, INTEX's own high speed circuits link these centers into an integrated system that can handle over 70,000 trades an hour - that's 20 trades per second. And that's not just a showy burst of speed. INTEX can comfortably handle trades at that rate all day. Every day.

# Fair

INTEX orders are booked chronologically. It's always first come, first served, whether you're trading one contract or one thousand. Only the INTEX fully automated system makes this possible. Because of this technology, all INTEX orders are treated equally. Because of the unique INTEX visual trading arena, members can see that for themselves.

# Accurate

They can't, because your bid or offer goes directly to the computer. And, because every execution is "locked in", INTEX members are assured that their trades are error free — 100% accurate.

This error-free accuracy becomes even more important when you realize that the INTEX market is almost limitless, because our market is the world. Remember, as an INTEX member, you may locate your "seat" and trade from any place. From Singapore to San Francisco -anywhere a trading station can be installed, you can trade.

### Limited Membership INTEX has imposed one limit. INTEX memberships will be limited to 600. No more will be sold by the Exchange.

And here's a final point. INTEX membership fees, which are payable only after your application has been approved,

are placed in bank escrow until INTEX begins trading. These are only the highlights of the INTEX story. The complete INTEX information package, including a list of pro-posed contracts, is available by sending

in the coupon below. Remember, INTEX memberships are available only to the first 600 qualified applicants. A small number indeed when you consider that well over 300,000 people traded futures in 1981 alone. So if you think that you qualify to have an

INTEX membership, make certain that you apply promptly.

Menteriper — permuos, June 17, 1982
Please send the complete INTEX information package to:
Name
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Address
Country
Telephone( )
The International Futures Exchange (Bermuda) Ltd. Reid House Church Street

Hamilton 5, Bermuda

809/(29)5-2244

Telex: 3223 BA

# Buehrmann-Tetterode to write off Belgium unit

BY CHARLES BATCHELOR IN AMSTERDAM

Belgian subsidiary with the demand for the company's high result that it wil barely make a profit in 1981.

BT will set the full F1 35m (\$14m) after-tax write-down against last year's result and will therefore make a profit of only Fl 2m, compared with Fl 46.2m This sharp reversal has led

the company to reduce its divi-dend to Fl 2.40 per share from

FI 5.60 the year before. BT has drawn partly on retained profits to meet the Fl 2.40 pay-Amsterdam Exchange suspended trading in BT's shares when trading opened

yesterday. They clos F1 35.70 on Wednesday.

BT initially expected that its Belgian subsidiary. Papeteries of Brussels specialises in kraft 1980.

BY OUR OSLO CORRESPONDENT

ement and huilding materiales

group which also has offshore

interests, increased turnover and profits in 1981 and expects

the improvement to continue

Group profits for 1931 are

estimated at NKr 40m to

NKr 45m compared with

NKr 10m in 1980, when Norcem passed its dividend. In addition,

for the latest year Norcem has

credited extraordinary income

-including profits from share sales-totalling about NKr 30m

Turnover reached NKr 3.1bn.

The cement division reduced NKr 70m.

increase in activity

BY OUR AMSTERDAM CORRESPONDENT

**EOE** experiences sharp

BUSINESS on the European lying share, and 236,408 "puts." Option Exchaoge (EOE) rose giving the right to sell. Philips sharply during 1981 and turn-accounted for a third of the

Turnover in all option types moe than doubled to 10.438 but tracing in U.S. options was age daily turnover increased to halved to 16.959 contracts.

4,125 options from 2,817 in Belgian and French options con-

1980. This is still well below tinued to account for only a

Dutch stock options countries to dominate the market accounting for 721.877 "calls." confering the 26 days in which they were listed.

over exceeded 1m contracts a Dutch option business.

a gain of 16 per cent on a year

EOE originally hoped to reach within its first year of tradiog. But costs have been cut, and

the exchange now claims to be on the point of breaking even.

Norwegian cement group

boosts 1981 earnings

quality board products collapsed in September as customers switched to lower priced alternatives. MSG has insufficient capacity to make the cheaper products profitable.

Energy costs also rose sharply and on the basis of its own stodies and the advice of McKinsey, the U.S. consulting group, decided to write-off its investment to avoid sizeable continuing losses. Talks have and trading. It has up to now oegun with the Belgian Govern survived the industry's recesment to find a solution. The plant is expected to be shut.

BT succeeded in reducing MSB's losses after it was acquired in 1976 but the cumulative total is now about F1 100m. MSG's plant south-east

capacity by 600,000 tonnes in 1981, following a 3 per cent fall

in domestic deliveries to 1.6m

tonnes. Exports of cement and

clinker reached 3.9m tonnes

The switch from oil to coal

firing at the three cement plants

permitted "significant" savings

A Saudi Arahian company in

cent stake reported " very posi-

tive" results in 1981.
The group's offsbore division

continued to grow, with Morco,

an oil well drilling subsidiary,

hoosting turnover to NKr 150m

from NKr 118m, Anchor Drilling Fluids, which provides en-

gineering services, increased turnover to NKr 100m from

Turnover of German options moe than doubled to 10.438 but

677 and 86 contracts respec-

to 46.478 contracts while trading

in the three options on Dutch

Turnover in gold options, introduced in April, amounted

on operating costs.

DUTCH PAPER and packaging de Mant-Saint-Guibert (MSG), papers and liners for the corrugroup, Buehrmann-Tetterode, is would hreak even in 1981 after gated board industry. BT to write-off its investment in a several years of losses. But recently carried out a substantial investment programme to modernise MSG's equipment.

This is the second time that BT has revised its profits fore-cast for 1981. It initially forecast profits unchanged at Fl 46.2m net in August but in November this forecast was downgraded.

BT is the most widely diversified of the Dutch paper and manufacturers interest in printing machinery sion better than its Dutch competitors

It expanded rapidly in the 1970s buying a large number of companies throughout Europe and increasing turnover from F1 636m in 1970 to F1 2.6bn in

# Danish sugar group sees

little change

DE DANSKE Sukkerfabrikker expects earnings for the current year to April 30 to be in line with last year's result, when the group reported a profit before alloca-tions, and tax of DKr 337m (\$46m).

It said in an interim report that the sugar beet harvest increased from 371,000 tonnes to 415,000 tonnes. Production from 265,000 tonnes would be sold to the EEC and a "reasonable economic return" was expected on the sale of surplus sugar to other

# Lauro line goes into partial receivership

By James Buxton in Rome

AN OFFICIAL commissioner is to be appointed to control the affairs of the Lauro shipping line, the Naples-based concern which is in serious financial difficulties.

This solution, a form of partial receivership, has been decided by the lines' creditor banks. They rejected the company proposal for the setting up of an external management committee which would run the company as not being sufficiently legally watertight. The banks will be included, with the company, in the new administra-

In return for the appointment f a commissioner the nine ships of the Lauro line which are currently impounded by creditors. two of them in foreign ports, will be released. Income from charters which the creditor banks have taken over will be returned to the company to enable it to solve its immediate cash-flow problems.

The object of the settlement agreed for the shipping line is to allow it to resume earning income from lucrative charters while its financial affairs are

sorted out.
The line, which has about 20 strips, is in financial crisis because of the heavy interest charges, said to amount to L25bn a year on short-term debt of L100bn (\$83m).

### Viscosuisse sales un

Turnover of Viscosuisse, Switzerland's leading producer of synthetic fibres, last year exceeded hoth the 1980 figure of SwFr 425m (\$237m) and the budget estimate for 1981. But the Rhône-Poulenc subsidiary failed to match 1980's operating profits. Net earnings last year came to SwFr 5.3m,

December, 1981

U.S. \$20,000,000

### UNION BANK OF NORWAY LTD.



FLOATING RATE CAPITAL NOTES DUE 1988

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from January 8 to July 8, 1982 the Notes will carry an interest Rate of 1413/16% per annum. The interest payable on the relevant interest payment date, July 8, 1982 against coupon No. 3 will be US\$372.37.



By The Chase Manhattan Bank, N.A., London Agent Bank

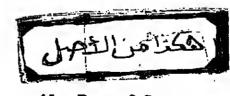
gardalf

2,170,000 Shares

# Gandalf Technologies Inc.

Common Shares

Of the 2,170,000 shares, 1,035,000 were offered initially by the U.S. Underwriters and 1,135,000 initially by the Canadian Underwriter, subject to transfers between the underwriting groups.



Alex. Brown & Sons

# Wood Gundy Incorporated

**Bache Halsey Stuart Shields** Blyth Eastman Paine Webber Drexel Burnham Lambert

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Donaldson, Lufkin & Jenrette

Merrill Lynch White Weld Capital Markets Group

Lazard Frères & Co.

E. F. Hutton & Company Inc. Lehman Brothers Kuhn Loeb

L. F. Rothschild, Unterberg, Towbin

Salomon Brothers Inc Shearson/American Express Inc. Smith Barney, Harris Upham & Co.

Dean Witter Reynolds Inc. Hambrecht & Quist

Bear, Stearns & Co.

Banque de Paris et des Pays-Bas (Suisse) S.A.

Lazard Brothers & Co., J. Henry Schroder Wagg & Co. Morgan Grenfell & Co.

Wertheim & Co., Inc.

Baring Brothers & Co., Pictet International Ltd.

S. G. Warburg & Co. Ltd.

# Generalles INTL: COMPANIES & FINANCE CONTRACTS

# Sharp cut in jobs at Sigma Motor

By Bernard Simon in Johannesburg

SIGMA MOTOR, one of South Africa's largest vehicle manufacturers, has made large cuts and layers in its workforce amid signs of a difficult year shead for the South African motor industry. Chrysler of the U.S. is a minority shareholder in Signa, and Anglo American Corporation owns 75 per cent of the company

About 500 - Sigma workers have lest their jobs and another 348 temporarily laid off until the end of January. The layoffs are the result of higher productivity and a decision to half manufacture of components, Sigma said.

However, some of the cuts are reliably understood to be connected with a sharp drop in the company's market share over the past year. Sigma assembles Marda, Pengeot and Citroen cars and a number of commercial vehicles.

Its share of the car market slipped from 21.1 per cent in December, 1980, to around 15 per cent in October and November last year. Sigma's monthly car sales dropped by almost 1,200 vehicles over this period. Peugeot sales are understood to have fallen particularly fast.

Sales of passenger-ears in South Africa are expected to fall from 360,000 milts last year to around 270,000 this year. Demand for commercial vehicles is likely to drop further from about 150,000 in 1981 to little more than

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Brathers & Co

المنتاة لأ وتدلك

Notice of Redemption

# Malaysians set up second trading house on Japanese lines

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA has set up its ment-approved joint-venture second multi-national trading multi-national trading agency. agency in les than two weeks. Nastra, was incorporated last Called. Mattra. Corporation, it month, with four other major will have an anthonised capital Malaysian. companies taking of 250m ringgit (U.S.\$110m) equity participation in the venant look for an amount turnover ture. of around U.S.\$675m.

Both Nastra and Mattra are Four major Malaysia groups based along the lines of the are partners in the Mattra vensure. They are Food Industries trading organisations and they of Malaysia (FIMA), Kumpulan are expected to set up offices in Perangsang. United Motor various world cities to buy and works and Palmo Holdings.

Works and Palmo Holdings.

The first two are government owned agencies, involved in food processing and distribution and in mining, a heavy machinery and vehicle group UMW and Palmico, a palm oil producer, are Chinese controlled publicly listed companies.

The first Malaysian government seel a variety of goods.

Apart from Nastra and Mattra, the Government is expected to approve another two or three similar trading units.

These units are expected to be incorporated in the coming weeks with Sime Darby, the plantation group and Multi-Purpose Holdings, the Chinese investment group.

# Malaysia Building Society plans increase in capital

BY OUR KUALA LUMPUR CORRESPONDENT

CRIP and rights issue is A SCRIP and rights issue is The rights issue for the 1. abmounced by Malaysia Building ringgit, par value shares is Society Berbad (MBSB), the priced at 2.9 ringgit, and will leading Malaysian housing financier. The increase in capital is to support its planned expansion in operations.

The company, in which the Commonwealth Development Corporation, a UK Government agency has a 23 per cent stake, said it would make a one-for-three scrip issue and a one-forthree rights issue to raise its paid-up capital from - 46m ringgit to 76.6m ringgit (U.S.\$34m).

Transocean Gulf Oil Company

8% Guaranteed Debentures Due 1984

NOTICE IS REHEBY CIVEN that, pursuant to the provisions of the Indenture dated as of December 1.
1968, under which the above-designated Debentures are issued, 5157,000. aggregate principal amount of such
Debentures of the following distinctive numbers has been selected for redemption on January 30, 1962 (herein
sometimes referred to as the redemption date):

\$1,000 Cappa Palentires Searing the Frent Letter \$1,000 Cappa Palentires Searing Table \$1,000 Cappa Palentires \$1,000 Capp

The Debentures specified above are to be redeemed for the Sinking Fund (a) at Citibenk, N.A. (termenty First National City Rank), Trustee under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at

Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of Githenk, N.A., in Ameterdam, Brassla, Frankurt Main, London (Cithenk House), Milan, Paris, and Cithenk (Larsanbourg) S.A., and Krediethank S.A., Larsanbourgeous in Larsanbourg, Payments at the offices inferred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account insintence by the payee with a bank in New York City, on January 30, 1982, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accuracd interest from December 1, 1981 to the date fixed for redemption. On hid after the redemption date, interest on the said Debentures will cause to accurac. Upon presentation and swrender of such Debentures with the December 1, 1982 coupon and all compons apportaining thereto maturing thereafter, payment of principal plus accuracy interest aggregating 31,012.11.togeach \$1,000 Debenture will be inside out of funds to be deposited with the Trustee.

The amount of any missing unmatured coupons will be deducted from the sum due for payment.

with a party of that when a national and the a surpling of

The following Debentures previously called for redemption through operation of the Sinking Fund have not us yet been presented for payment.

CHI UN Corporation

Sprice 29, 1963.

By CHIBANK, N.A., so Trustee

NOTICE

DEBENTURES CALLED JANUARY 30, 1977

DERENTURES CALLED JANUARY 20, 1978

(now Gulf Od Corporation 8% Debentures Due 1984)

raise 44.4m ringgit.

The increase in the capital base would allow, the company to borrow more money from the Government and its institutions for bousing activities. Its bor-rowings stood at 640.4m ninggit-at December 31, 1980.

For the year ended that date.
MBSB made a pre-tax profit of
26m ringgit, and had total
mortgages, outstanding of
752.2m ringgit.

# KL Stock **Exchange** censures food group

By Our Kusla Lumpur Correspondent

THE KUALA LUMPUR Stock Exchange has consured a feeding drinks and food manufacturer, Yeo Hiap Seng (Malaysia), for its profit

The company disclosed recently that its pre-tax profit for the year ended September fell by 57 per cent to 4.6m ringgit (US\$2m) on a turnover which rose by almose 20 per cent to

120m ringgit.

it letter, the exchange pointed out that YHS had a pre-tax profit of 3.6m ringgit for the first six months ended March. In June, the company announced a rights issua of one-for-two at 2 ringgit each, and directors then predicted that te company's full year earnings would not be less than 10m ringgit. The exchange said when this forecast was made, YHS was already entering its final quarter, and the exchange

asked how directors could make such a forecast which then fell short of the actual earnings by more than 5.5m ringgit. Under its rules, the exchange can suspend the company if the reply is not satisfactory.

However, such action is un-

### Saga Petrokjemi

EARLY last year Saga Petroleum offered to buy out the minority shareholders in its Saga Petrokjemi subsidlary. It was wrongly reported yesterday that Saga Petroleum had offered to sell its Petrokjemi stake to minority holders.

# INTERNATIONAL APPOINTMENTS **Barings** Far East

BARING BROTHERS ASIA. Hong Kong, has appointed Mr Peter G. R. Dodds as deputy managing director, Mr Richard C. Kirby an assistant director in Hong Kong and Mr Lee Chee Knon a manager in Singapore. Mr John E. Heskett, an executive director in Hong Kong, will be returning to Baring Brothers-and Co in London at the end

of January.

Mr Machiel Termuelen, a
Dutchman, has been named
assistant to the managing director of MONTEDIPE. Montedison company based in Milan. In addition to developing and implementing medium and long-term strategies for the purchasing and processing of raw materials and product selling. Mr Termuelen will keep contact hetween the international petroleum and petrochemical in-dustries and Montedipe, which within the Montedison Group is in charge of petroleum refining. production and sales of basic chemicals and petrochemical in-

chemicals and proceedings of the component of the compone pal subsidiary, the First National Bank of Boston, have elected Mr John G. McElwee a director of the corporation and tha hank. He currently serves as president and director of the John Hancock Mutual Life

John Hancock Mutual Life
Insurance Company.

Mr J. Howard Hawke, cheirman and chief executive officer
of Bache Halsey Stuart Canada,
has heeo appointed to the hoard
of AERO ENERGY, Canadianbased oil and gas group.

Dr Harold M. Hubbard has
heen named the permanent
director of the SOLAR ENERGY
RESEARCH INSTITUTE.

RESEARCH INSTITUTE,
Golden, Colorado.

Mr Donald E. Nickelson,
president and chief executive
officer of Paine Webber Jackson
and Curtis, and Mr John A.
Wing, president and chief executime officer of the Chiefe Cortive officer of the Chicago Cor-poration, have been elected to three-year terms on the CHICAGO BOARD OPTIONS

EXCHANGE hoard of directors.
Others elected were: Mr
Lawrence J. Blum, a markatmaker and an incumbent on the CBOE board who currently serves as chairman of executive committee, the exchange's highest elected member position; Mr Robert L. Cruikshank, a market-maker; Mr Ernest W. Nalditch, a market-maker and an incum-

Also elected were three new members of the nominating committee: Mr Daniel S. Curran, Mr. Joseph S. Doherty and Mr E. Penny Dolnick, all market-

makers.
The DONALDSON COR-PORATION has appointed Dr Peter E. Horn as managing director for Europe, located at European headquarters in Leuven, Belgium.

**ENERGY RESOURCES &** SERVICES INCORPORATED Net Asset Value
- 31st December 1981

\$9.03 per share (unaudited)

STOCKHOLDERS FAR EAST INVESTMENTS INC. Net Asset Value

> 31st December 1981 \$2.09 per share (unaudited)

# £4m hospital work for Sindall

A 54m contract has been awarded to SINDALL CON-STRUCTION by the East Anglian Regional: Health Authority for ments, commission analyses and huilding in Winchester to: ments, commission analyses and huilding in Winchester to: Phase II of the new District contract note production. In ICFC Developments (£136,000): addition, there are a full range mouth. The architect is of stockbroker accounting facility worth £72,600. mouth, The architect is McDonald Hamilton and Montefiore. The contract is due to start on February 1 and should be completed by the end

of 1984.

LOGAN COMPANY has won a £580,000 order for a carousel twoway tilting tray sortation system for Freemans, the mail order company. The system will be installed at Freemans distribution centre, Peterborough. Merchandise is distributed to 108 unload stations throughout the 120,000 square metre two-level storage warebouse. The tilt-tray sorting machine has a through-put capacity of 9,000 units per hour, and sorting speed is 102 metres per minute.

LAWSON, Acton-based building contractor, is to build a hlock of four-bedroom town houses on the site of the old St James Church in Fulham, West London. Church in Fulham, West London. The contract, worth about 2360,000, was awarded by Site Improvements (Developments). Another project worth £130,000 is to carry out an exteosive refurbishment of 7 Albernarie Street. Piccadfily, a building listed (Grade II) by the Historic Buildings Committee of the GLC.

JACKSON uchesta ASSOCIATES, Chichester, computer software and birreau company, has won a and bureau conspany, has won a contract to supply Charles Letts and Co., diary, travel and educational publishers, with a range of computer services over the next three years. The agreement, which could be worth and Co., diary, travel and educational publishers, with a range agreement hetween IBR and the tion for the plant at Bardney, of computer services over the developer of MicroModeller, Lincolnshire. The contract is to next three years. The agree-intelligence (UK). The first batch design, supply, deliver, instal meot, which could be worth of systems ordered by IBR has a and commission all ancillary. equipment, associated with a on-line computer hureau processing, the design of Letts' new onon-line computer hureau process-ing, the design of Letts' new on-line interactive system, facilities management in respect of tha London computer operation, together with some consultancy services. The main applications that Jackson's team will develop deal with on line order coury, sales ledger and order statistics. Letts' London office will be linked to Jackson-Associates' Chichester computer installation, which consists of ICL 2946 equipment, with data entry and printing facilities

at Letts' office.
International Compiters has
awarded Jackson Associates a contract to design and davelop an investment management and stockbroker administration package-Investmaster. Both modules are interactive and on-line pro-viding brokers with up-to-the Other jobs are a telephone MENT GROUP, Leeds: BAE is turnkey package.

windte data on such items as exchange at Burgess Hill, West valuations, stock situations, chient Sussex for British Telecom transactions, capital gains assessments, commission analyses and windling in Winchester for contract materials.

IBR MICROCOMPUTERS, has The ENERGY EQUIPMENT the distribution rights on the COMPANY, which became part 8000 Series version of the Micro- of the Petrofina Group last year, Modeller financial managament has secured a £2.7m contract system. This follows an exclusive—with the British Sugar Corpora-

# London and Northern win £3.4m order

LONDON AND NORTHERN cost of £740,000. GROUP companies in Scotland and North West England have heen awarded contracts worth

A. Farquhar (Builders) has work in the Aberdeen area at £2.14m. A garage and showroom £2.14m. A garage and showroom will be constructed for John Clark BMW (Special Cars) for £220,000 and a sports and leisure complex for Occidental of Britain Inc., at Bridge of Don in a £500,000 contract. Alteration work valued at £150,000 takes place at Albyn Terrace for Leigh Estates and for Shell UK a workshop and the second phase of groundwork for office extensions. groundwork for office extensions totalling £550,000. In addition Farquhar's bas commenced the construction of 40,000 sq ft of warehouse accommodation at Palmerston Road, Aberdeen at a

In North West England, Border Engineering Contractors, Whitehaven, has been awarded contracts valued at £1.25m in a £736.832 contract for British graphite machining facility (Phase II) at Lillyhall, near Workington. At Egremont a contract to re-clad and undertake internal alterations at Wyndham School for Cumbria County Council bas been awarded at £387,077 and Border will also carry out alterations and roofing at Uliswater School in Penrith for £61,259. William Huddleston and Sons Border's subsidiary company in Morecambe, has a contract for Phase I in the centralisation of bus depots at Heysham Road, Lan-caster at £86,235.

by companies in the LOVELL. CONSTRUCTION GROUP, the largest scheme going to Farrow which has a £1.4m contract to build a two-storey hospital at Brentwood, Essex for Selfahart

Clinics.

At. Bisley, Y. J. Lovell.

(Southern) is providing a also been successful in gaining a £575,000 2,532 square metre factory for F. C. Brown (Steel 5350,000 for the re-roofing and refurbishment of the Neptune supporting a steel sandwich roof.

The same company bas won a £500,000 plus award to effect 12 bouses and 18 flats for Brook Street Housing Association at Chertsey, Surrey. Chertsey, Surrey.

More than flar has been won ment includes instrumentation, complete the contract are Plastic by companies in the LOVELL mechanical services, tankage, Construction Birmingham, who CONSTRUCTION GROUP, the electrical works and insulation, are supplying the fume extrac-

G. E. WALLIS AND SONS has been awarded a £1m contrast for alterations to the Old Pest Office

formed six years ago to win the largest possible share for the the rapidly expanding market for airport equipment in "third world" airlines. It has recently heen restructured to trade as a limited company and is now actively seeking addi-tional UK members to extend further the range of capabilities offers to developing airports. The Maldives order is for main-tenance equipment valued at £500,000 for the recently opened Male International Airport. The equipment includes a security system, two fuel howsers and a runway sweeper. A first order from Air Ivoire, the Ivory Coast domestic airline, is for a £100,000 ground support package.

TWINLOCK has been awarded the £22,000 contract for filing for the new British Airports Authority offices at Gatwick Air-port London, due to be opened next month. The contract is part of a £500,000 order for furniture for the new building, which is being handled by PLUMB CONTRACTS, Coventry.

With the aid of an English

Industrial Estates government grant, Lucas Aerospace is con-structing a factory in Bradford for the manufacture of com-ponants for the aerospace and sircraft industries, and has appointed a Coventry-based com-pany, PMD CHEMICALS to act as consultant engineers for the metal finishing facility, which will occupy 2,500 sq ft of the 80,000 sq ft total factory area. PMD equipment represents more than half the value of tha \$400,000 order for the metal stiching facility and comprises finishing facility and comprises 13 modular plating lines. Other companies engaged by PMD to are supplying the fume extrac-tion system; Brightside tion system; Brightside Mechanical and Electrical Services Group, Birmingham, who are installing the air replacement system; Waste Treatment and Recovery, Birmingham, who are manufacturing the effluent treatment plant: and Lamacrest (Contracts), Harrogate, who are laying the acid-resistant flooring to the plating shop and efficient treatment areas. All additional ancillary items will be provided by PMD, ranging from vapour blasting and de-embrittlement ovens through to pH meters and hotplates, to give Lucas Aerospace a complete.

This announcement appears as a matter of record only.

# Associates Corporation of North America

U.S. \$250,000,000 Revolving Credit Facility

MORGAN STANLEY INTERNATIONAL

AMSTERDAM-ROTTERDAM BANK N.V.

BANK OF MONTREAL

BARCLAYS BANK OF NEW YORK

CANADIAN IMPERIAL BANK OF COMMERCE DRESDNER BANK AG FIRST NATIONAL BANK IN DALLAS

FRENCH AMERICAN BANKING CORPORATION MIDLAND BANK LIMITED

LA SALLE NATIONAL BANK NATIONAL WESTMINSTER BANK GROUP

BANK OF AMERICA NT & SA

BANQUE DE PARIS ET DES PAYS BAS

RBC FINANCE B.V.

SWISS BANK CORPORATION

TEXAS COMMERCE BANK

SWISS BANK CORPORATION

December 17, 1981

# BANCO DI NAPOLI INTERNATIONAL S.A.

U.S. \$25,000,000

**NEGOTIABLE FLOATING RATE** CERTIFICATES OF DEPOSIT DUE 1986

FIRST CHICAGO LIMITED

ARAB BANKING CORPORATION (ABC).

... FUJI INTERNATIONAL FINANCE

NIPPON EUROPEAN BANK S.A. TAKUGIN INTERNATIONAL BANK (EUROPE) S.A. TOKAI BANK NEDERLAND N.V.

FIRST CHICAGO

This announcement appears as a matter of record only.

Term Loan

Lead Managed by

The Bank of Tokyo, Ltd.

Bank of America NT & SA

Creditanstalt-Bankverein

Euro-Lannamerican Bank Limited -EULABANK-

Agent Bank

The Bank of Tokyo, Ltd.

Interconexion Electrica S.A.

US\$38,200,000

Orion Royal Bank Limited

Provided by The Bank of Tokyo, Ltd. The Royal Bank of Canada Group

The Hokkaido Takushoku Bank, Limited

Tokai Bank Nederland N.V. Toronto Dominion Bank

as Eurodollar interest rates rese. and the Federal funds overnight Y422.50. rate iscreased to 12; per cent in early New York trading. The (second foreign exchange market was weighted

Dotlar showed a firmer trend s Eurodollar interest rates rese, SwFr 3.4825; and to Y426.50 from

D-MARK — EMS weakest). foreign exchange market was weighted index 122.4 against very quiet however, with most 122.6 nn Wednesday and 115.6 currencies moving within 5 six menths ago. Three-month narrnw range.

Steeling improved against the six menths ago. Three-month interbank 10.35 per cent (12.975) currencies meving within 3 narrnw raoge.

Sterling improved gaining ground against Continental currencies, and 6nly easing slightly against the streog dollar. Currencies recorded little movement within the European Menetary System, apart from a weakening of the Irish puot. Market seurces suggested that there is also hervousness about the Belgian franc, which remained the weakest EMS member.

DOLLAR — Trade-weighted index (Bonk of England) 107.6 against 106.8 on Wednesday and 110.4 slx months ago. Three month Treasury bilts 11.66 per cent (14.60 per cent six months ago). Annual inflation rate 9.6 per cent t10.2 per cent previous month)—The dollar rose to DM 2.2615 from DM 2.2465 against the D-mark to FFr 5.7425 from SwFr 1.8090 in terms of the Swiss franc; and to Y222 from Y219.60 against the yen.

STERLING — Trade-weighted index 91.7 against 91.6 at noon and at the opening, and 91.5 at previous close (93.5 six months ago). Three-month inflation 3.6 per cent (12.975 per cent six months ago). Annual inflation and lalian lira were nochaged. JAPANESE YEN — Trade-weighted inflation 3.6 per cent (4.1 per cent six months ago). Annual inflation rate six months ago. Three mark rose against the finition 6.3 per cent (5.6 per cent six months ago) the form previous month of the D-mark to guider improved to 91.21 per 100 from 91.13, while the French franc inflation 3.6 per cent (4.1 per cent six months ago). Annual inflation and the previous of the D-mark to guider inflation 3.6 per cent (4.1 per cent six months ago). Annual inflation and the previous month previous month previous month previous month previous month pre

index 91.7 against 91.6 at noon and at the opening, and 91.5 at previous close t93.5 six months agn). Three-month interbank nesday and 82.5 six months ago. agn). Three-munth interbank 15 per cent (13 % per cent six months ago). Annual inflation rate 12 per ceot (11.7 per cent previous month).—The pound opened at \$1.9145-1.9155, and felt in a low of \$1.9110-1.9120 in the morning. Demand for sterling pushed it in a peak of \$1.9200-tological at \$1.9195-1.9205, a fall of the dollar and sterling, but to the dollar and sterling, but the same against the Swiss franc. In the same ago, against 30.3 of weeking ago. Three-month interbank 15 per cent six months ago. (17% per cent six months ago). Annual inflation 14.3 per rent (14.1 per cent previous month).—The france improved against four of its EMS partners and weakened against two at the partners and sectacy and \$2.5 six months ago. (17% per cent six months ago). Annual inflation 14.3 per rent (14.1 per cent previous against four of its EMS partners and weakened against two at the cent of the 

-0.11 +0.52 -0.43 -0.33

. 6.564595

+1.48 +0.53

**EMS EUROPEAN CURRENCY UNIT RATES** 

Changas are for ECU, therefore positive change denotes a

41.5477

7.97825 2.44557 9.20715 2.68067 0.691665 1308,45

Sterling/ECU rate for January 7 ...

# THE POUND SPOT AND FORWARD

				7	IIMOD	~
Jan 7	Day's epresd	Close	One month	p.e.	months	p.a.
U.S.	1.9110-1.9210	1.9195-1.9205 2.2795-2.2805	0.35-0.25c pm 0.12-0.02c pm	1.87 6.37	0.77-0.67 ( 6.05pm-0.	15d <b>-</b> 0.09
Caneda Nethind.	2.2710-2.2810 4.74-4.77 <sup>2</sup> 2	4.76-4.77 74.00-74.16	2-11-c pm 95-105c dis		51-47 pm 200-230dis	-11.61
Belgium 6snmark	73.70-74.10 14.12-14.19	14,17-14.19 1,2255-1,2270	4-3ere pm 0.19-0.31p dis		57-4 pm 0.78-0.98d	1,34 is —2,89
ireland W. Ger-	1,2190-1.2275 4,32-4,35 <sup>1</sup> 2	4.34-4.35 125.70-125.00	2-11-pf pm 25-185c dis		5½-4% pm 70-405 dis	4.72 一7.55
Portugal Spain	125.00-126.00 186.20-187.50	187.20-187.40 2.323-2,325	15-45c dis 104-134 lire dis		70-110 dis 427:-467:di	
Italy Norway	2,315-2,325 11.13-11.16	11.18-11.19 11.02-11.03	2-4ore pm par-1c dis	1.47	54-44 pm 3-4 dis	1.70 -1.27
Frence Sweden	16.98-11.03 0.62-10.69	16.67'4-10.68'4 426-427	21 <sub>4</sub> -11 <sub>2</sub> ore pm 5.50-5.20y pm	2.11	61-51 pm 10.70-10.3	2.25
Austria Suuta	420-428 30.30-30.45 9.481-3.521	30.46-30.45 3.61 <sup>1</sup> 4-3.52 <sup>1</sup> 4	15 <sup>1</sup> 2-16 <sup>1</sup> 29ro pm 2 <sup>1</sup> 2-1 <sup>3</sup> 6 pm	5.13	43-33 pm 53-53 pm	4.98

Bolgien rato is for convertible francs. Financial franc 81.95-82.05, 5ix-month lorward doller 0.80-0.70c pm. 12-month 1.05-0.90c pm.

### THE DOLLAR SPOT AND FORWARD

. Jan 7	Day's spread	Close	One month .	% p.e.	Three months	% p.e.
ÜKt	1.9110-1.9216	1.9195-1.9205	0.35-0.25c pm	1.87	0.77-0.67 pm	1.50
Ireland†	1.5615-1.5650	1.5 <i>8</i> 15-1.563 <del>5</del>	6.62-0.52c pm	4.38	1.80-1.60 pm	4.35
Canada	1.1870-1.1990	1.1978-1.1882	6.15-0.19c die	-1.72	0.41-0.46dis	-1.48
Nethind.	2,4700-2,4850	2,4820-2,4850	6.60-0.50c pm	2.66	1.81-1.71 pm	2.84
9elgium	38.53-38.59	38.55-38.57	29-34c dis	-0.80	82-88 dis	-8.81
Denmerk	7.3770-7,3925	7.3875-7.3925	3-120re pm	1.02	0.35-0,86dls	-6.32
W. Ger.	2.2590-2.2660	2.2616-2.2620	0.62-0.57pf pm	3.16	1.97-1.92 pre	3.44
Portuaal	65.40-65.70	65.45-65.65	25-105c dla	-11.90	65-235 dis	-0.15
Spain	97.25-97.60	97.56-87.55	25-35c dis	-9.69	75-95 dla	-9.49
lialy	1,20912-1,211	1,2091,-1,21012	812-9 lire dis	-9.56	27-29 dis	-0.25
Norway	5.8220-5.8310	5.8220-5.8250	0.05-0.45ore dis	-0.51	0.35pm-0.05d	0.10
France	5.7380-6.7500	5.7400-5.7456	6.95-1.10c dis			-2.78
Sweden	5.5500-5.5650	5.5600-5.5650	6.20ore pm-par	6.21	1.00-0.80 pm	0.65
Јареп	220.70-222.50	221.95-222.05	1.60-1.45y pm		4.00-3.85 pm	7.07
Austria	15.83-15.86	15.834-15.844	414-3gro pm		1412-1112 pm	3.28
6witz.	1.8190-1.8340	1.8305-1.8315	0.86-9.76c pm		2.29-2.19 pm	4.89

CURRENCY	CÜRR	ENC	Y RAT	ES		
Jan. 7	Bank of England Index	Morgen Guaranty Chengas	Jan. 9	8ank rate	Special Drawing Rights	Europea Currancy Unit
Sterling	104.8 87.6	-59.5 +1.1 -10.5 +24.8 +7.8 -16.6	Austrie 9ch. Belgiap F Danish Kr	19 14,66 634 14 11	1.16684 1.38234	6.064055 1.08809 1.20000 17.1043 41.6401 7.07549 2.44485
Neutsche mark Swiss Iranc Gulider French Iranc	129.4 162.4 114.8 80.7	+43.9 +102.3 +16.8 -14.5	n mark Guilder French Fr Ura	6 .	0.87466 6.60345 1401.60	2.68267 6.26793 1508,36

7		
	OTHER	CURRENCIES

Argentina Peso. 19,087.19,107; 6;050.10,000; Austria. 30.20.38 Australie Dollar. 1.7615 1.7035 6.8895.0.8900 8elgium 81.168 Brazil Cruzeiro. 947.76.249.76 120.59.128.97 Denmark. 14.08.18 Finland Merkka., 8,359 8,379 4.3016.4.3636 France. 16.95.12 Greek Brachma. 108.214.111.525 57.70.57.90 Germ.ny. 22.16.95.12 Hong Keng Dollar 16.07-16.9812 5.727.5.7325 Hay. 22.90.2 Iran Rial. 151.50° 78.90° 0.2918.0.2800	12, 10 1,22 1,00 ,36 416 27 ,78 1,30 30 95 5,68

### **EXCHANGE CROSS RATES**

central rates

40.7572

7.91117 2.40980 9.17443 2.56382 0.684452 1300.67

Gelgian Franc ...
Genish Krone ...
German D-Merk
French Franc ...
Duich Guilder ...
Italian II-

Jan. 7	PoundStarling	V.6. Doller	Deutschem'	Japan'aeYen	FrenchFranc	Swiss Franc	Dutch Gulld'	ItalianLira	Canadle Bollar	Belalen Frene
Pound Sterling	6,521	1.626	4.345	426.5	11.625	3.518	4.766	2324.	2,280	74.05
U.S. Bollar		1.	2,203	222,1	6.742	1,832	2,482	1210,	1.168	38.57
Deutschemark	0.230	0,442	1.	98.16	2,537	6.816	1.697	034.9	6,036	17.04
Japanese Yen 1,600	9,345	4,502	10.16	1000.	25,85	8,247	11.17	5449,	6,346	178.6
French Franc 16	0,907	1.741	5,941	386,8	10.	3.196	4,322	2108,	9,068	07.17
Swiss Franc	6,283	6.646	1,235	121,3	5.134	1.	1,355	566,7	6,648	21.66
Dutch Guilder	0,216	6,403	6.612	89,61	9,314	0.739 .	2,050	497.7	6,479	15.54
Italian Lira, 1,966	0,430	0,626	1.974	183,5	4,744	1,514		1909,	6.981	31,86
Canadian Dollar	6,439	0,842	1,900	187,1	4.83 <b>6</b>	1.543	2,690	1619,	3,079	32,48
Belgian Franc 100	1,350	2,593	5,868	576,0	14.89	4.760	6,435	3139.		100,

±1,5368 ±1,6412

±1.1077 ±1.3733 ±1.5063 ±1.6688 ±4.1229

3 months U.S. dollars 6 months U.S. tiollars 7 The fixing rates are the eritimetic means, rounded to the hearest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference benks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Bautsche Bank, Banque Nationale de Paris and Morgan Gusranty Trust.								eference banka		
Canadian Dollar Belgian Franc 100 FT LONDON	6.439 1.350	0.842 2.593 BANK FI	5.868	1.00 a.	14,89	1.543 4.760 UARY 7	2,690 6,435 7)	1619, 3139.	3.079	100.
			1,900		4.836					32.48
Dutch Gullder Italian Lira, 1,966	0,216 0,430	6,403 0,826	6,612 1,974	89.61 183.5	9,314 4,744	0.739 . 1.514	2.050	497.7 1909.	6,479 6,981	15.54 31.86
French Franc 16 Swiss Franc	0,907 6,283	1.741 6.646	5,941 1,235	386.8 121,3	10. 5.134 ·	3.196 1.	4,322 1,355	2108. 566.7	9,068 6,648	07.17 21.66

# **EURO-CURRENCY INTEREST RATES (Market closing Rates)**

Jan. 7	Sterling	u.s. notlar	Canadian Nollar	Butch Guilder	6wiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Jepaneso Yon
Short term	1434-15 1518-1514 15.5-10 2 10.1-15:5	191a 1234 125g-127g 151e 153e 135, 135, 1412-1434	11-13 11-13 145g-15 147g-1514 10-103g 16m-16m	161g-1614 1014 1619 16:5-1014 1016-1015 1014-1678	3-51a 34-44 83-86 84-86 94-96 77a-8	9/8·16 9/3·10/4 16/4·16/4 16/4·16/4 10/4·16/8	15-15 <sup>1</sup> 4 15-15 <sup>1</sup> 4 16 <sup>1</sup> 8-15 <sup>3</sup> 6 16 <sup>3</sup> 8-16 <sup>3</sup> 8 17 <sup>3</sup> 1-18 18 <sup>1</sup> 8-19 <sup>1</sup> 2	1713-1614 1956-91 2659-2118 2254-251a 2359-2454 2536-2444	17-27 181g-261g 2814-33 24-9614 2414-2514 2614-0214	068-578 578-6 678-678 678-678 678-678

SDR linked deposite: one month 12-12½ per cent; three months 12½-12½ cer cent; aix months 13½-13½ per cent; one year 13½-13½ per cent.

ECU linked deposite: one month 13½-14½ per cent; three months 14½-14½ per cent; aix months 14½-14½ per cent; one year 14½-14½ per cent.

Asian 6 (closing rates in Singapore): one month 13½-13½ per cent; three months 13½-13½ per cent; aix months 14½-14½ per cent; one year 14½-14½ per cent. Long-term Eutodollar two years 15½-15½ per cent; three years 15½-15½ per cent; lour years 15½-15½ cer cent; five years 15½-15½ per cent; nominal closing

The following nominal rates were quoted for London dollar certificates of deposit: one month 13.00-13.16 per cent; three months 13.35-13.45 per cent; elx months 14.30-14.40 per cent; one yeer 14.30-14.50.

(up to 14 days) st 142 per cent and £46m of eligible bank bills

in band 1 at 14f per cent. In band 2 (15-33 days) it bought

£190m of eligible bank bilis et 143-1419 per ceot. There was

no further assistance given during the afternoon.

10.30 per cent down from 10.30-10.40 per rent on Wednesday as

short term funds remained in ample supply. There was no attempt by the authorities to drain reserves. The surplus of funds was partly attributed 10 baoks' comfortable positions with

regard in fulfilling reserve requirements and also 3 total of DM 15 bn in repurchase agree-

ever rates could firm if the 2uthorities fail to replace 6no repurchase plan of DM 3.4bn, unwinding on January 12.

In Brussels the Belgian

ments currently running.

# **MONEY MARKETS**

# **UK** rates steady

London clearing bank base lending rates 14! per rent (sinre December 4)

Short-term interest rates were little changed in London yes-terday in relatively quiet trading. Despite a projected shortage of funds in the money market overnight money in the interbank market sank to a low of 5 per cent at the close, having opened at 141-141 per cent. Minney was quoted around 14 per cent at lunch time. Longer term rates were slightly easier where changed with one week money clusing at 143-143 per cent compared with 143-143 per cent and one month at 151-153 per rent from 15 %-15 % per cent while the three-month rate was

steady around 15; per rent.
The Bank of England gave an early forecast of a shortage of around £250m with bills maturing in official hands and a net take up of Treasury bills draining £235m and Exchequer draining £235m and Exchequer fraps2ctions a further £175m. These were nifset by 9 fsll in the note circulslien of £105m. The Bank gave assistance in the morning tetalling £246m, comprising purchases of £10m of local authority bills in band 1

# MONEY RATES

NEW YORK	
Prime rate	154 124-124 11.66 12.44
GERMANY	
Special Lombard	10.50
Overnight rate	16.20 16.70
Onc month This months	
Six months	16.40
FRANCE	
Intervantion rate	14.75
Overnight rate	15.25
Ine month	15.00

MANUEL 1411	
NEW YORK  Prime rate	12 <b>4-124</b> 11.66
GERMANY	
Special Lomberd	10.50
Overnight rate	16.20
One month	16.70
Thise months	16.40
FRANCE .	
Intervantion rate	14.75
Overnight rate	15.25
	15.00
These months	15 00

EW YORK		Ц
ime rate ed, lunds eaaury bills (13-weak] eaeury bills (26-week]	17.66	Ove
ERMANY		2 d 7 d
pecial Lomberd ernight rate no month	10.50 16.20 16.70	7 di Det Twi
x months	10.5 <del>5</del>	Six Nin
ANCE		Tw
gryantion rate	14.75 15.25 15.00	rate are

FRANCE	
ntervantion rate	15.25 15.00 15.00
JAPAN .	
7	R CA

# **Further** fall

Gold fell \$5½ to \$396½-397½ in the London bullion market yesterday. It opened at \$397½-398½, the highest level of the day, and was fixed at \$398.25 in the In Frankfurt eredit policies and key lending rates were left unchanged after yesterday's meeting of the Bundeshank central council. No changes bad been expected by the market. Call money was quoted at 10.10.10.20 per cent down from 10.20. morning, and \$396.50 in the sfternoon. The metal touched a low point of \$3941-3951, reflect-

ing general European selling.

was fixed at FFr 75,000 per kilo (\$406.04 per nunce) in the afternoon, compared with FFr 75,000 t\$406.09) in the morning and FFr 74,700 (\$407.11) Wednesday

afterooon.
In Frankfurt the 121 kilo har was fixed at DM 28,950 per kilo (\$398.00 per ounce) against DM 29,180 (\$404.02) previously, and closed at \$396-397 compared with \$401 i-402i.

In Luxembourg the 121 kiln har was fixed at the equivalent of \$396 per ounce, compared with \$402.50. In Zurich gold finished at

\$396.399, against \$400-403.

	والمستنف في المستنف ال							
Jan. 7	Jar	Jan. 6						
Gold Suillon (fine ource)								
971 <sub>2</sub> (£2061 <sub>4-3</sub> 071 <sub>4)</sub> 981 <sub>3 · 1</sub> £3071 <sub>2</sub> 208 <sub>1</sub> 1£306,94 t <sub>1</sub> 1£269,6631	\$402-403 \$401 <sup>1</sup> 4-402 <sup>3</sup> 4 \$402 \$401-50	(£208 <sup>3</sup> 4·209 <sup>1</sup> 41  £908 <sup>1</sup> 7·209,  £208.506;  £909.6801						
Gold Coins								
HD (£209.2051 <sub>2)</sub>	5991a-99 5115-116 :S110-116 :B27-107 4)  \$497-500 :S90-895	(£215.2151 <sub>2</sub> ) (£1103,-1111 <sub>4</sub> ] (£661 <sub>2</sub> 57,-1111 <sub>4</sub> ] (£25.931 <sub>2</sub> ) (£2151 <sub>2</sub> -2101 (£551 <sub>2</sub> -501 <sub>4</sub> ) (£5603,-601 <sub>4</sub> ) (£503,-601 <sub>4</sub> ) (£501 <sub>2</sub> -551 <sub>2</sub> ) (£2881 <sub>2</sub> -260) (£2881 <sub>2</sub> -260) (£2851 <sub>2</sub> -2675 <sub>2</sub> )						
	Gold Buillon (fine of page 12) (£206\(^1\), 208\(^1\), £207\(^1\), 208\(^1\), £269.663\(^1\), £269.663\(^1\), £269.663\(^1\), £213\(^1\), £214\(^1\),	Gold Suillon (fine ounce)  971 <sub>2</sub> (£206 <sup>1</sup> <sub>4</sub> .2071 <sub>4</sub> )   \$402.403  981 <sub>3</sub>   £2071 <sub>2</sub> .208 <sub>1</sub>   \$401 <sup>1</sup> <sub>4</sub> .402 <sup>1</sup> <sub>4</sub> £208.941;   \$402  £269.6631   \$401 <sup>1</sup> 50  Gold Coine  (6 (£2131 <sub>2</sub> .0141   \$4151 <sub>2</sub> .4141 <sub>2</sub> 11 (£2169.101   \$013.214  11 (£2169.101   \$1081 <sub>2</sub> 1061 <sub>2</sub> 414 (£22 <sup>1</sup> <sub>2</sub> .031   \$441 <sub>4</sub> .461 <sub>4</sub> 11 (£214.2141 <sub>3</sub>   \$4141 <sub>4</sub> .451 <sub>3</sub> 12 (£501 <sub>2</sub> .503)   \$1991 <sub>2</sub> .99  15   £691 <sub>2</sub> .66;   \$115.116  15 (£257 <sup>1</sup> <sub>4.2581<sub>4</sub></sub> )   \$297.500  £269.2651 <sub>2</sub>   \$297.500						

Yesterday's mnve followed Monday's cet in the discount rate National Bank reduced rates on one-, two- and three-month Treasury bills all to 15 per cent. and Lombard rate and several record rate of 144 per cent on a reductions in Treasury bill rates new seven-year lean, heping to Previous rates were 15½ per cent for one-month, and 15½ per cent on two- and three-month bills. over the past few weeks. Mean-while in an attempt to fund this BFr 45bn.

year's Isrge budget deficit the Belgion Treasury announced 2 hetween BFr 40bn and

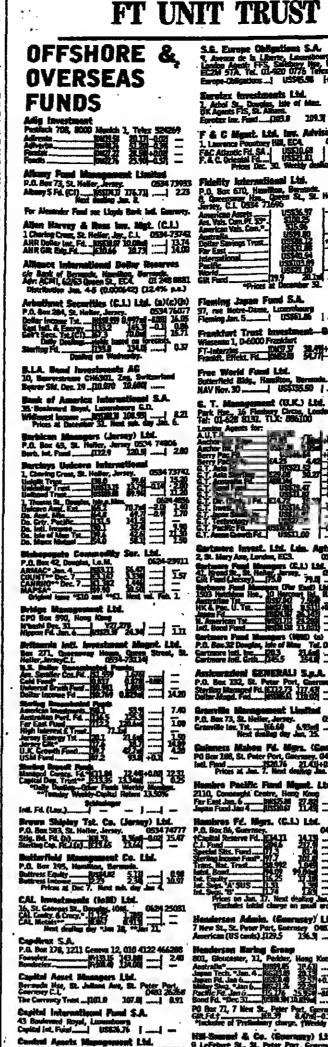
# LONDON MONEY RATES

Јал. 7 1692	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. nagotiablo bonds	Finance Nouse Deposits	Company Deposits	Discount Market Deposits	Treasury	Eligible Bank Bills ø	Fine Trade Bills o
Overnight  a days notice. 7 days or 7 days notice. Inse months. Two months. Six months. Nine months. Ine year Two years.	164-15-16 15-16 15-16 15-16 15-16 15-16 15-16 15-16 15-16 15-16-16-16	5-144 1456-1478 1516-1514 1614-1516 1613-1516 1512-1516 1512-1516	14-14 tg 1458-1478 1454-15 1618 151g 1044 1536- 1648		15 A	14-141g 	12-144, 	 14-k 14-k 14-k	14& 14& 14:i 14:i 143-14:i 14;-14:2	15 lg 15 lg 15 lg 16 lg 16 lg

Local suthorities and finance houses sevan days' notice, others sevan days fixed. Long-term local authority mortgage as nominally three years 15½ per cent: four years 15½ per cent: five years 15½ per cent: 69ank bill reles in table buying rates for four-month bank bills 14½, per cent: four month trade bills 15% per peroximate setting late for one month Treasury bills 14½ per cent; two months 14½ per cent; three months per cent. Approximate setting rate for one month bank bills 14½ per cent; two months 14½ per cent; and months 14½-14½ per cent; and months 14½-14½ per cent; two months 15½ per cent; two months 15½ per cent; three months 15½ per cent; two months 15½ per cent; three months 15½ per cent; two months 15½ per cent; three months 15½ per cent; two months 15½ per cent; three months 15½ per cent; two months 15½ per cent; three months 15½ per cent; two months 15½ per cent; three months 15½ per cent; two months 15½ per cent; three months 15½ p

Finance Houses Base Rates (published by the Finance Houses Association) 15½ per cent from January 1, 1982. Clearing Bank Deposit Rates for sums at seven days' notice 12½-12½ per cent. Clearing Bank Rates for landing 14½ per cent. Treasury Bills: Average tender rates of discount 14,7613 per cent.

# FT UNIT TRUST INFORMATION SERVICE

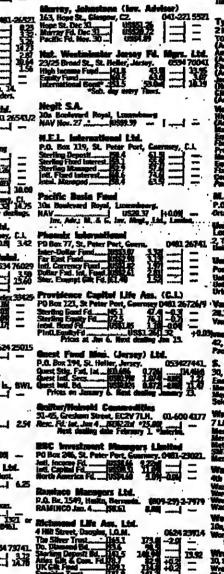


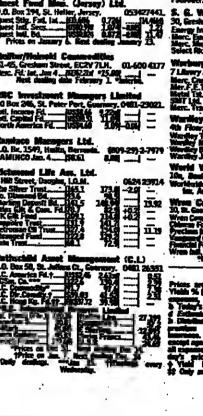
toll Inc. (Guernery) Ltd.

Her, Jersey. 0534-73673 [£297.11. 207.14]+0.06] ---P.O. Box 63, Jersey. HS Channel Ix. Fd. 1144.6 154.8 359 HS. Frat. Lat Fd. 184.9 141.5 32.60 H.S. Instal. 66h. Fnd. 1136.9 123.60 est Fixed Int. Magrs. (Jersey)

Portsche Ses. F. Wortgaplerse 19weg 113, 6000 Frankfert 19w2y Q 20.30 ..... inestal law. Fd.



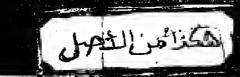








This new Exchange can handle 70,000 futures trades every hour—and confirm each one in seconds. That's insatiable. No, that's INTEX.





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eIndustr' is 881.02 865.58 882.52878.00 875.10 888.25 1824.95 (27/4) (25/6) (17/1175) (27/82)
H'mo 8nds. 67,18 56.92 56,35 57.85 58.89 66.35 (16/187) (17/187) (27/82)
Transport. 376.48 572.84 579.88 588.50 578.44 576.51 447.88 (18/4)

Irid: div. yield % 6,39 6,36 6,34 5,59

The dust's 155.16 184.17 187.98 187.12 186.85 189.98 187.92 128.48 180.88 5.52 (87/87) (24/8) (28/11/80 (50)8/82 (67/87) (24/8) (28/11/80 (50)8/82 (67/87) (24/8) (28/11/80 (50)8/82 (67/87) (24/8) (28/11/80 (7)8/82 (67/87) (24/8) (28/11/80 (7)8/82

.5.35

. -

Long Gov. Bond yield - 12,71 13,50

NY. 9.E ALL COMMON 1981 82

59.1669.7271.2071.11 79.14 64.96 (25/8)

Ind. P/E Ratio

Dec. 23

5,35 8,24

Dec. 31

326.04 526.71 582.79 532.59 489.56 (27/5) 509.81 311.67 518.08 518.13 575.28 (18/6)

TORONTO Composito 1,900.7 1916.8 1859.5 1,854.2 2579.5 (10/4) 1812.48 (25/5)

Dec.

- | -

5.33

13.04

1,894 473 1,040 379

High Low High

4.38

1,915 591 1,203 321 9

Low

Sincks Closins of traded price day 502,200 16° + ½ 487,800 24° + ½ 477,900 58° + ½ 467,800 33 -1½

NORWAY

Osio SE (1/1/72)

SOUTH AFRICA Gold (1968) Industrial (1968)

Capital Intl. (1/1/78)

Tracing Vol 51,510 47,518 36,780 40,780 42,960 35,380 40,970 42,960 35,380 40,780 42,960 35,380

Crown Cork. Grown Zell... Cummins En

127<sub>0</sub> 30 483<sub>4</sub> 26 32 311<sub>6</sub> 393<sub>4</sub> 501<sub>2</sub> 171<sub>4</sub> 48<sub>6</sub> 261<sub>8</sub> 323<sub>4</sub> 156<sub>8</sub> 547<sub>8</sub>

Gt. Att. Pan. Tea. 4 Gt. Besins Pet. 4 Gt. Nthn. Nekcosa 08 Gt. West Financi. 143g Greyhound 151g Grumman 255g Gulf & Western 155g

Harris Benop... Harris Corp....

Heinz (HJ)... Haller Intl... Horoules.... Hershey....

ioliday inns ... ioliy 2ugar ... iomestake ....

171g 297g 12

Singlety re Singer ........... Swith Intl.... Smith Kline... Sonesta Intl...

Soneta litt.
Sortheast Banks
Sth. Cei. Edison.
Southern Co...
Sthn. Nat. Rea.
Sthn. Nat. Rea.
Sthn. Pactile.
Sth. Reliway.
Southland
SW Bancshares.

SW Baneshares... 2perry Corp...... Spring Wills...... Squere D......... Squibb ......... Std.Brands Paint

481g 246g 151g 361g 42 125g 331g 4614 371g 996g

Stock

Metromedia
Mitton Bradiey
Minnescta MM
Missouri Pac
Mobil
Modern Merchg
Mohasco
Monarch M//
Monarch M//
Monarch

| Nat Service | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 14

NEW YORK

Adobe Oil & Gas.
Adobe Oil & Gas.
Advanced Micro.
Actna Lifo & Gas.
Ahmanson (H.F.)
Air Prod & Chem.

Albany Int.
Albany Int.
Albany Int.
Albarto Culy
Albartson's
Alcan Alumpium
Alcan Alumpium
Alcan Alumpium
Alcan Alexander & Al.
Aligheny Inti.
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Allis-Chalmers
Alpha Portd.

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SET SET



# Fresh early Wall St decline linquished Y90 of the recent sharp rise on its new ceramic engine. Paris With sentiment favourably influenced by Figure 1 Market is bouncing within a trading range, with some institutions appearing to be mostly buying relatively cheap blue chips. They added that the upswing did not indicate a real trend, and that when turnover does increase it may be due to TAKING ITS CUE from a Canada weakening Bond market, Wall Street lost fresh ground in a fair A further

weakening Bond market, Wail
Street lost fresh ground in a fair
turnover yesterday morning.

The Dow Jones Industrial
Average, baving fallen 21½ points
over the past two days, was 5.81
woaker st 855.21 st 1 pm. The
NYSE All Common Index dipped
42 cepts more to \$68.76 and
declines exceeded gains by a
two-to-one margin. Trading
volume decreased to \$1.33m
shares from Wednesday's 1 pm
figure of 37.49m.

CHIMUZ

A fauther sharp decline
markets
in another moderate early trade.
The Toronto Composite Index
was down 17.6 more at 1,883.1 at
mid-day. The Oil and Gas index
infigure.

Greyhound Lines fell 1½ to
cs20½, Camflo Mines 1½ to
cs18½, Numac Oil and Gas CS1
figure of 37.49m.

figure of 37.49m. Analysts said both stocks and bonds are still reacting to bearish developments on the interest rate front, particularly Salomon Brothers' economist Henry Kaufman's prediction that rates will start moving higher by mid-year.

mid-year.

Concerns about the beavy schedule of Treasury financings in this quarter are also pushing bonds down, analysts said, and the bargains available in that market are drawing investors gway from the stock market. Declines were spread across the board, with Technology, Oil, Rail and Precious Metal stocks registering some of the more significant falls.

Oil stocks have been falling all week, reflecting predictions that crude oil prices will be lower this year.

MGIC Investment was the volume leader again and hardened to \$49t. The Wisconsin State Insurance Commission approved the company's merger into Baldwin-United for \$52 a share. Baldwin receded \$1 to \$61. lower this year.

to \$61.

U.S. Steel was off 7 to \$282.
The company was the victor in a struggle with Mobil to acquire Marathon Oil, and yesterday it purchased 30m Marsthon shares. Mobil shed to \$23t.
THE AMERICAN SE Market
Value Index fell 3.09 further to 308,20 at 1 pm. Volume 2.82m

95,88 (2/1/81)

78,5 (29/8) 61,4 (29/12)

1115,77 (5/10)

Barros Comm Itz (1972) 182,86 187.55 188,68 185,69

SWITZERLAND Swiss BankCpn.(51)(12/56) 257,3 257,2 288.1 259.0

124.54 124.46 125.88 127.18

(u) 565.5 589.5 565.2 (u) 768.2 706.4 768.8

(\*\*) 6st Jan 2: Japan Dow (c) TSE (c)

Base values of all Indices are 100 except Australia All Ordinary and Matala—
500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
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1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the
1900; NYSE All Common—10; and Toronto—1,000; and Toronto—1,000

\_\_ | 144.1 | 144.9 | 147.2 | 162.8 (6/161) | 165.8 (20/8)

(c)

Greyhound Lines fell 11 to C\$201, Camflo Mines 11 to C\$131, Number Oil and Gas C\$1 to C\$251 and Trans-Western Exploration 12 to C\$123.

In active trading, Dome Petroleum shed i to C\$13; and Noranda i to C\$21;.

The market retained an essier tendency in moderate scrivity, with scattered liquidation of margin positions taking

Wall Street's further decline overnight was a depressant, while sentiment was also dampened by gloomy prospects for Japanese exports due to trade conflicts with Western partners, stock analysts said.

The Nikkei-Dow Jones
Average was only 6.38 lower at
7,691.22, but the Tokyo SE
index was 1.89 weaker at 567.57.
Turnover matched Wednesday's
level of 280m sbares.

Light Electricals, precision Instruments, Motors, Heavy Electrical Machines and some other leaders were easier but Non-ferrous Metals, Oils and Machine Tools were bought selectively.

Toyota Motor shed Y30 to Y1,000, Misubishi Elect Y8 to Y317, Canon Y12 to Y395, Sharp Y20 to Y790, Misubishi Heavy Y4 to Y246 and Tokyo Marine

With sentiment favourably influenced by Finance Minister Jacques Delor's goal of an annual inflation rate of 10 per cent by the last quarter of 1982, stock prices, after Wednesday's pause, resumed Tuesday's strong raily in an active session. The CAC General index clambed 2.4 to 92.3 and the Indicateur de Tendance index added 2.6 9t 103.0.

103.0. Analysts said there had been some buying by Mutual Funds specialising in French stocks, and that market rumours of buying orders from foreign investors also fuelled the raily.

ontnumbered declines by six-to-one in the stock market sontineed brokers said their was foreign buying which left shares no premium closed at FFr 6.71-74 buying which left shares no worse than mixed. Advances after having opened at FFr6.70-FFr 6.72.

Dealers noted that trading was unaffected by recent polls indicating employers' disillusion with the Government's economic policies.

Rises predominated in all aectors, although there was some selling among Motors and Transportation issues.

Radiotechnique featured with an advance of FFr 23 at FFr 220. while BSN Gervais Danone moved ahead FFr 85 to FFr 1,295 and Bouygues FFr 51 to FFr 1,050.

### Hong Kong

Prices opened on a steady note yesterday following fewourable Press comment, and generally gained ground later when some institutional support developed. Y6 to Y504.

High Technology issues, such as Optical Fibres, Robot Makers and Synthetic Fibres, declined HK\$197.40m on the four

put on 30 cents to HK\$13.70 and Swire Properties 30 cents to

### Germany

Uncertainty about U.S. interest rates coupled with weak West German Bood markets depressed stock market sontimeot, but brokers said their was foreign

On the Domestic Bood market Public Authority Loans posted losses reaching 60 pfennigs. The Bundesbank bought DM 83.4m of paper after buying DM 14.9m the previous day.

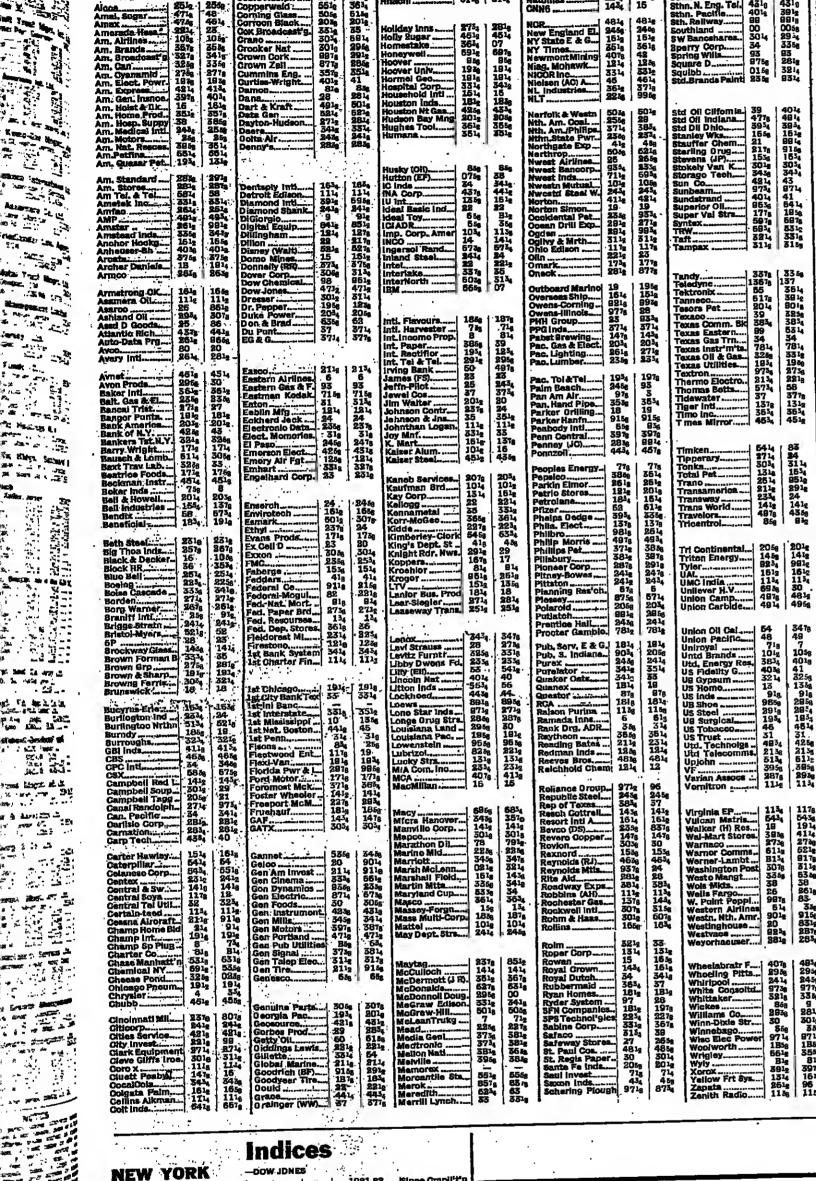
Persistent sales this week of Schuldschiene Promissory Notes by the Federal Government, which yesterday offered maturities of eight-to-10 years yielding a maximum 10.1 per cent, are depressing the Bond market, doelors said.

Mark Eurobonds eased by a } of a point in quiet trading.

### Australia

Shares were mainly softer, continuing Wednosday's declining trend, with Oil issues weakening afresb after a recent firming trend. The All Ordinaries index lost 3.7 at 583.1 and Oil and Gas 13.2 st 664.2.

308 sha	3.20 st 1 pm. Vares (3.22m).	Volume 2	as Optic	al Fibres, R	es, declined	remained HK\$197.40n exchanges	thin, n on against	totalling the four the short	Am	npg Oils, All to A\$1,60, S	iance shed	ents
E A	losing prices merica were n	ot avau	orth some re	cently giro	ng Pharma-	Wednesday HK\$119.48n	session		f to A8 A\$11.0	6.56, Vamg2 9) and Clare 1.33.	mont 4 c	ents
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Ale	can Alumin 966 goma Staol 43		Soc. Gen. Beige Sofina	1,098 +10 3,145 -20 2,045 -25	AMEV AMRO Bradoro Cert	89 —0, 52 —0,	Aust G	co	2	Makita Maruboni Morudai	330 701	3 5 +3 15
8k	Montreal 931 L. Hova Scotia. 253 asic Resources 4.0	2378 271g	Tracton Elect UGB Union Miniere	8,380 +13 1,420 -20 594 -4 1,316 -24	Boss Kalls Suhrmann-Tet Caland Hidgs	59.7 —0. 35.7 34.5 +0	Bank P	Paper 2.1 VSW 2.8 Notal 1.7	0 -0,68	Matsushita Matsushita M'ta Elec Wol M'bishi Sank	1,150 rks. 600	15 10 3 +3
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# THE PROPERTY MARKET BY MICHAEL CASSELL

# Rohan to develop riverside site

part of Morgan Crucible's con- the remainder of the land is to option available in more troversial riverside site in be given over to homes and a normal circumstances.

has provoked several local involved in previous proposals announcement of a merger uprisings on the part of the for the site, are understood to between itself and sister com-Morgan closed down operations ment to develop the housing. there and announced that it acres of land involved.

floorspace. Work will begin centre projects of up to £25m. later this year and should take According to John Taylor, the

ahout 18 months to complete.
Rollan, which will be purchasing the freehold of the land required for the office scheme, says it represents one of the be joined Rohao. He is enthusimost important riverside sites astic about the scheme's potential—refusing to accept that the will offer a good headquarters south bank site represents a location for a major company. problematical location — and There are, as yet, no tenants in says the development will pro-Bridge Road and is half a mile London.
from Battersea heliport, Roban, which is ready to call the heart. mind for the building, which vide top quality space with

The office comolex forms part problems.

Battersea community ever since be ready to announce an agree-

The Battersea deal repreintended to redevelop the 10.7 sents aomething of a milestone for Rohan, which has for two Roban was among a short-list years been trying to diversify of five or six developers drawn its UK operation away from up by Morgan and it has the industrial sector. It is cur-already obtained detailed plan-rently engaged on a small office ing permission from Wands project in Kent but the Bat-baugh's management."
worth for its proposals. The tersea scheme is by far its lar- At the end of Decemb single building will occupy a gest office coup to date. The 1; acre site and will provide company is also looking at about \$5,000 sq ft net of office infill retail schemes and town

According to John Taylor, the ex-British Land man who heads up the UK operation, be has had an eye on the Battersea site for two or three years, long before

which is ready to sell the huild-site's troublesome history—ing on if a buyer comes along, more than one Morgan Crucible has itself met site acquisition annual meeting has degener-costs but is talking with ated into unseemly slanging potential funding partners for matches.—Taylor does not foresee the reason for any further

# Rosehaugh goes shopping

ROHAN Developments, the UK of the overall redevelopment arm of the Dublin-based Rohan proposed by Morgan—there Group, is to develop the 100,000 have been two public inquiries for the site—and of the fitting planned for the site—and the representation to call the port-folios themselves secondary, brokers Quilter Hilton, thinks whatever their individual continuous fit office building planned for the site—and the remainder of the land is to continuous fit office a many secondary.

To the corrections of the port-folios themselves secondary, brokers Quilter Hilton, thinks whatever their individual continuous fit office building planned for the site—and the continuous fit of the site of the site

Mr Bradman's bid coincided pany, Beaumont Properties. So, as Mr Bradman pnt it this week, London Shop sharebolders can either opt for more of the same" which he reckons would result in the merged London Shop/Beaumont standing at a sizeable discount to asset value -"or take an option on Rose-

At the end of December, Rosehaugh bought a 21.4 per cent stake in London Shop—formerly held by McLeod Russell—and it is not thought to have done any buying since. Given the terms of the bid, it looks as though much will depend on the character and aspirations of London Shop shareholders, none of whom command an equity atake anywhere near the scale of Mr Bradman's.

London Shop has made no secret of the fact that it tends to buy, hold and to some extent deal in secondary shop properties. The company, and its merchant bankers Schroder Wagg, feel that this policy has been vindicated by an increase in net assets per share from 114p a sbare in April 1978 to 198p last December.

A spokesman for Schroder Wagg said this week that, given breadth of the London

In the same three and a half riverside walk. Wates, the Mr Bradman's bid coincided Shop has measured itself, bow a positive reaction from the The future of the London site housebuilders who have been with London Shop's own ever, Godfrey Bradman reckons London Shop shareholders. that Rosehaugh has increased its own net assets per share City wrong, but the general from "5p or 6p" to a figure on impression is that the affair has which he will not yet be drawn only reached the early skirmishanalysts calculate could be as ing too little and the "victim"

high as 280p a share.

This is probably not enough much.

to swing the deal Rosehaugh's

THE CHOICE facing share—Shop and Beaumont portfolios way but it could stop London bolders of London Shop —"over 1,000 leases in both Shop shareholders voting for the Property Trust, currently the companies"—it would be a mis-Beaumont merger next week.

pocket-perhaps to the extent years during which London of another 15p a share to get a positive reaction from the

Events can always prove the -but which some stockbrokers ing stage, with the bidder offerprobably about to ask for too

WILLIAM COCHRANE

# **Mansion House Square** scheme is resurrected

A PLANNING application for an 18-floor office building, shops and public square in front of London's Mansion House has been lodged by developer Mr Peter Palumbo.

development, based on a 1968 plan by Mies van der Robe, includes a 137,000 sq ft net office tower and-if approved-would get underway in 1986.

Mr Palumbo has, over the last 23 years, acquired 12 of the 13 individual freebold and 345 of the 348 leasehold interests that constitute the scheme's site

The plan would entail the demolition of eight listed

buildings. In 1969, the City Corporation agreed in prin-ciple to the proposal but withheld full permission until it could be aatisfied the developer had sufficient control of the site to ensure a continuous, phased operation.

Fountain House, the 100,000 aq ft City building let to Stewart Wrightson, is to be refurbished by Sunley Holdings at a cost of about

£6.5m. Sunley will fund the plan and will, in return parti-cipate in profit rental (£1.1m

in 1980). Edward Erdman advised the tenants, who say the leasehold interest bas a market value of about £14m against the £10.9m book Market admiration at GM option move

GENERAL MOTORS and a New investors, is advancing GM: York property investment trust a \$500m ten-year loan at annual sent the Manhattan real estate interest of 10 per cent. market buzzing with admiration In return, GM has granted

creative property financing. Manhattan office property have to assume the balance on market but could well be the existing mortgage on the start of a new trend. Landaur building of about \$45m. part-owned by Associates, Hilliers says he expects to see

GM, struggling with rock-bottom car sales, has been trying to sell its prestigious New York Office tower-a 50-storey marble clad landmark building overlooking Central Park-since last April for at least \$500m.

The sale would bave set a new record in the New York property market topping the \$400m sale of the Pan Am building last January. But the sale of the Pan Am building came at the peak of the latest

Manhattan property boom.

With the latest transaction GM has still failed to sell its building but has raised \$500m in cheap money and moved closer to eventually selling the tower block.

Under the terms of the deal. Corporate Property Investors, a privately held real estate investment trust formed ten years ago by both American and foreign

and surprise this week with a CPI, which owns New York whopping \$500m piece of properties and several major reative property financing regional shopping centres, an The unorthodox transaction option to buy the building after not only reflects the growing January 2, 1991, for not less than problems of the once booming \$500m. In addition, CPI would

But there are other advant-Hillier Parker May and ages to both parties in the trans-Rowden, were consultants to action. According to Mr Hans GM and Roger Cockhill at Mautner, president of CPI, delaying the purchase of the more transactions along these building makes sense in that the property group will be getting a higher return from its loan to GM than it would receive from the outright purchase of the GM

> This is because rent yields from the building, which are estimated at about \$16m net this year, will be beld down for the next five to ten years as most of the current leases do not expire until between 1986 and 1989. In the case of the Pan Am build-ing, most of the old leases

> expire in 1984. For General Motors, the deal defers New York City capital gains taxes on the sale of the building for ten years. 'At the same time GM retains the building's depreciation tax deductions which might not be as interesting to CPI since several of its

> > Paul Betts

# Wang to relocate

WANG LABORATORIES, the wunderkind of the minicomputer and word processing world, has consolidated the rapid growth of Wang (UK) by taking a 25-year lease on Northumberland House, Hounslow, from developers County and District Properties, and Sun Aliance, at an annual rental of around £3m.

Ronnie Franks, a semor partner of Smith Melzack which acted for Wang in the transaction, reckons that this values the 60,000 sq ft building at around £15m.

Smith Melzack will also be handling the disposal of Wang's two outgrown Richmond pro-perties when the move takes place next April.

• Sun Life is to fund the Grosvenor Estate Commercial Developments scheme for the Gration Centre, Cambridge, where Debenhams are taking 190,000 sq ft of the 300,000 sq ft

 Bracknell Development Corporation has invited six companies to make bids for a freehold retail site in the town centre which will be developed to provide nearly 200,000 sq ft of shopping space. The companies are: Heron Property, Sunley Holdings/BSC Pension Fund Hammerson, London and Metropolitan, Neale House Investments and Prudential Assurance. Healey and Baker act for Bracknell.

King

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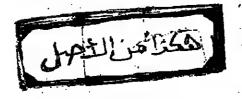
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A PROPERTY AND A PROP

Similarity and Pro-

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Jacoby 5.

Agents beat the analysts mas quiz hat trick for Quitter man quiz naverex for quiner Goodlson, the London stock-brokers, has been smitched away from them by the sterning efforts of the Richard Ellis investment department and Weatherall Green and

Smith, this years joint win-ners and each the recipient of a magnain of champagne. So the agents take over from the analysis and Quilter Hilton fall to receive an honorary EF knighthood toadd to Sir Nicheles Goodison's recent honeur, though they missed glery by a whisker as did Colin Mun-day and Peter Grodzinski at Hoare Govett. My thanks to everyone who entered and my hope that this year provides enough material for another

Picture questions. (a) Lord Mais. (b) Ronald Shuck. (c) 1 Lesser Land."2 Rohan. 3 Brixton Estate 4 Centros Properties 5 Chesterfield Properties 5 Chesterfield Properties 6 Viking Property. (d) Ed Gouge, GLC planning committee chairman. (e) Kurt

I—As head of Costain's property division Mr Melville shelved plans for a shopping scheme at the Woolwich Arsenal

d to and a second secon 2—Blue Circle Industries, facing a big rent rise, is considering relocating its Victorie headquarters at Aldermaston, Berkshire.

3—Oliver Marriott, whose 14—Smith Melzack.
Churchbury Estates took over 15—They are all buildings
Law Land, a company which 21. which have been listed by the

CHRISTMAS QUIZ ANSWERS

4 Aztec West 5-Willie Whitelaw's Home Office headquarters are held on a lease from Land Securities, the group headed by Lard Samuel of Wych Cross.

6-Donald Trump. 7-The former St George's hospital at Hyde Park Corner in London, William Wilkins designed it and the Duke of Westminster's Grosvenor Estate is modernising it as part of a

new development scheme. 8—Corby—in June 1981. (Several entrants elected Swansea, which also started in Jone but which steadfastly remains in Wales.)

9-Godfrey Bradman of Rose hough teamed up with Greycoat Estates to revelop a site close to Liverpool Street station.

10-Arunbridge-headed by Rounie Lyon—is proposing to develop 12 acres of south bank land surrounding Vauxhall Bridge, including the existing Nine Elms cold store complex. : 11-Dixons Photographic is in the picture in Broad Street, New York, where it is develop-ing an office scheme with British Airways' pension fund.

12-Half Moon Theatre; Fortune Theatre; Duke of York; 13 Land Securities plans to redevelop Grand Buildings in Trialgar Square were rejected by Westminster City

years before he had suggested Department of the Environment was in need of new masters. as being of architectural interest.

16-Saatchi and Saatchi, advertising agents to Richard Ellis, were ticked off for using simulated press cuttings in an Ellis campaign.

17-Gerald Zisman appeared in Liverpool docks to announce that his olan for a £20m scheme at the City's Albert Dock was being backed by the Department of the Environment

18-New York's Battery Park area is being redeveloped by Olympia and York, the Canadian-based property group. 19-A consort;um comprising

Slough Estetes, Shell Pension Fund and George House Holdings wants to develop a part of the airfield. 20-Mr Radmore is the DOE inspector conducting the inquiry into plans by Mr Lipton's

Greycoat Estates to redevelop

London's Coio Street site. 21-Severiano Ballesteros is be tournament professional at La Manga Campo de Golf, Costa Blanca, purchased by European Ferries. Manuel Baliesteros is the resident club professional.

22-The Merchaot Navy Officers' Pensioo Fuod purchased a share in an Ohjo-based property trust. 23-Mr Micbael Heseltine,

Secretary for the Environment, could not successfully operate a bulldozer he encountered during his tour of Merseyside. 24-- Mr Trevor

25-Electricity

Nominees is making room for an Atlantis adventure ride in its Trocadero redevelopment scheme, Piccadilly. 26-The Crown Agents, in

selling off their Austrelian portfolio, which includes a property in Wollongong. 27-Chestefield Properties.

28-Vauxhall Cross, which has been developed by Regional Properties. 29-S. and W. Berisford and Edinburgh Investment Trust

confront possible problems with permafrost when redevelopthe Billingsgate market site finally hegins. 30-Mr Q. Morris, a director of BP Intercational on moving into its new Chiswell Street

headquarters. 31-Union leader Clive Jenkins at a Savills seminar oo property.

32-Londoo and Leeds-part of the Ladbroke Group—is con-verting rooms in the Savoy Hotel into office space, 33-Ronald Shuck of Espley-Tyas is to spend £25m on redeveloping the Belle Viie site

in Manchester. .34-MEPC has taken a 50 per cent interest in 86 acres of land edjacent to the Texas Stadium, home of the Dallas Cowboys.

35-St Martins Property Corporation and local partner Grollo are retaining three historic buildings—including a butter factory—as part of a redevelopment scheme in

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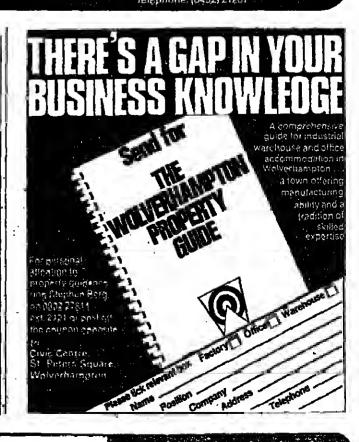
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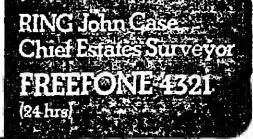
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Brief but sufficient details for developors to assess their interest will be sent on request followed by full details and tender documents to those intending to tendar. It is envisaged that development oo site will commence in November, 1982.

The initial details can be obtained from the Chief Estatos Surveyor, Amdale Chambers, Exchange Street, Bolton BL1 IRS or by ringing Bolton (0204) 22311 Ext. 459.

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# A FINANCIAL TIMES SURVEY

# CITY OF LONDON **PROPERTY**

Friday, 12th February, 1982

The Financial Times proposes to publish a survey on City of London property. The editorial synopsis is set out below:

Even the City of London has not been able to leolato itself completely from the effects of the recession. There is an over-supply of space, thought not a serious one, and any rental increases ochieved are modest. Prospects for 1962, Rents and Rates

reents and Rates.

Top rents are now around £25 a sq ft-£27 a sq ft and are forecast to rise to over £40 a sq ft by 1985. Rates, however, can already, push the current cost per sq ft as high as £40. It can now cost eround £4,900 a year to house one employee in good quality City office accoremedation. What impact, if any, is this likely to have on future demond for City space?

Development

A substantial proportion of the City's office stock has been or
a substantial proportion of the City's office stock has been or
is now being raplaced or modamised. Opportunities are restricted
and there is a growing emphasis on the frings ereas.

Speculative development has reached a peak of about 2m sq ft
in 1981, but this could be under 1m in 1982.

City Fringes
The recession has exposed a difference in market conditions
between prime City offices and those in some of the fringe
ereso. Demend beyond the inner core has been discernibly
weaker, as reflected in rents.
The South Bank,

FIRE SOUTH BAIR, With yet enother public inquiry underway into plans for pert of the South Benk, any start on development seems as far away as ever. The need to and the present development is commonly eccepted but the consensus stops there.

The Banks

Demend for space from the banks has been a crucial element
in determining the attendth of the City office market. But with
nearly 400 foreign banks elessly represented and some of the
UK clearers trimming down operations, will their requirements
continue to expand? An enalysis.

continue to expand? An enalysis.

Refurbishment
The movestion and modemisation of older property in the City represents a mojor oldernative to new developments. The economics of refurbishment and a comperison of the finished product with newly developed floorapics.

Planning and Design
A review of the City planners' philosophy towards office development and a look at some of the latest schames claiming some design merit.

ant and a look at some or the least please contact:
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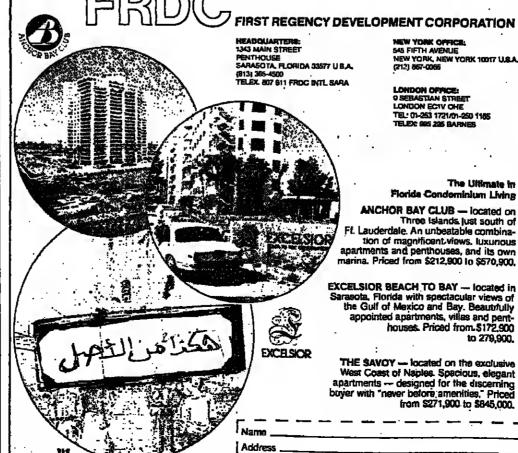
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# **APPOINTMENTS**

# Morgan Grenfell promotions

Morgan Grenfell International; Mr G. W. Muir and Mr A. M. Wheatley, to senior assistant director, Morgan Grenfell and Co; Mr P. Curry, Mr M. J. Hodges, Mr R. M. Maslinski, Mr A. V. P. Stitt and Mr A. J. P. Sykes, to assistant director, Morgan Grenfell and Co.

Mr Roger Hawksworth has appointed manager of Texaco's wholly-owned sub-sidiary, STATIONS SUPREME. been Mr Roger Colomb, who was previously general Stations Supreme, has been appointed managing director of Texaco Olie Maatschappij BV, Texaco Inc's Netherlands subsidiary.

Stephen Jackson has become a pariner in CAWOOD SMITHIE AND CO, stock-brokers, at Harrogate,

Mr Michael J. Beasley has been appointed managing director and Mr. Brian J. Thorpe deputy managing director of HOWARD HUMPHREYS.

Mr G. F. Johnstone, the deputy underwriter for ALS Motor Policies at Lloyds, has been appointed a director of A. L. STURGE (SERVICES).

Lubricants appointed Dr R. J. Dalton to the board of DALTON AND CO., as manufacturing director at the Belper. Derbyshire, refinery. He is not connected with the founder family, and for the past 3; years be bas been general manager of Biospecialities, a joint company involving Tate and Lyle and

Mr Ivor Wood has been appointed financial director of PURNELL AND SONS. Paulton. part of the British Gravure Corporation within BPC. He was formerly financial director of Eric Bemrose, Liverpool.

Mr John S. Hardy has been

elected president of the INSTITUTE OF CHARTERED SECRETARIES AND ADMINIS-TRATORS for 1982. He is director and company secretary of Baker Perkins (Holdings). Mr John Walker bas been

appointed a director of LEOPOLD WALFORD HOLD-INGS. He was previously managing director of Leopold Walford (Zambia).

brokers on January 9.

ing (London) has appointed Caselton as Trevor Caselton Mr service director and Mr Alan McLaren becomes con-tracts director. Mr Chris Harris, managing director of the London company, and Mr John Colling, managing director of Wright Air Conditioning (Birmingham), bave both joined tha board of Wright Air Conditioning (Contracting), the main board controlling the UK sales/contracting

companies. Sir Cecil Clothier, the Health Service Commissioner (Ombuds-man) for England, Scotland and Wales, has appointed Mr G. V. Marsh as his deputy to succeed Mr Geoffrey Weston when Mr Weston completes bis period of secondment and retires from tha National Health Service at the end of March. Mr Marsh has been the area administrator, Lambeth, Southwark and Lewisham Area Health Authority (Teaching) since the reorganisa-tion of the Health Service in

Mr M. D. Nightingale has been appointed to the board of BARAOORA TEA HOLDINGS.

Mr G. S. Korkjian has been appointed chairman CHAMBERS AND FARGUS.

Mr Martin Rubach and Mr Jeff Harris bave become directors of WYVERN TELEVISION WEST, Bristol subsidiary of Wyvern Television, Swindon

Mr M. H. W. Wells has been appointed a non-executive director of CARCLO ENGIN-EERING GROUP.

Mr John O. Sewell is to retire as group chief executive of GEI INTERNATIONAL on July 1. He will remain on the parent board and it is intended that ba will be appointed deputy chairman. Mr John Elwell, until recently managing director of the packaging machinery division. has been appointed an associate director of the company and will succeed Mr Sewell. Mr Edmund Thompson, group operations director, is also to retire on July 1 but will continue as a director.

Tha BRITISH SCHOOL OF MOTORING has appointed Mr Graham Heath as its property director.

Mr Hamish Gibson, has been speciated managing director of the WALTON FILM - AND VIDEO COMPANY.

Mr. B. Garrick has been appointed to the board of THE WEIR GROUP, Glasgow, He tor of Wair Pumps.

Mr Peter Stevens has been appointed director of the LONDON TOURIST BOARD CONDON TOURIST BUARD was been appointed secretary of from March 22. He was the first J. F. Nash Securities hi succession administrator of the sion to Mr. P. J. R. Savefoot, who National Theatre of Great has been appointed secretary of Britain from 1974-79, and is has been appointed a director currently - angaged by the of J. F. Nash and Partners.

Morgan Grenfell and Co has Guibenkian Foundation as management consultant improving Mr A. P. N. Lafont to director, ing the cost effectiveness of th management consultant improving the cost effectiveness of the arts in the British regions. Mr Stevens takes ever from the present director, Mr Geoffrey Smith, who will be retiring from full-time activity with the board.

> Miss Gillian Lewis, head of the department of conservation, has been appointed to the new post of assistant disputy director at the NATIONAL MARPENE

Mr W. G. Elyth has been appointed a director of AUDITS OF GREAT BRITAIN. He was formerly a director and group statistician of MIL Research Mr G. Morgan has been appointed to the board of GRAHAM KEMP COMMUNICATIONS. He was previously head of public relations for the Port of London Authority.

Directors of ROYAL INSUR-ANCE (INT.) recently established operating company responsible for Royal's general insurance business worklyide excluding U.S., UK and Republic of Ireland, Canada, Australia and business written by Royal Neder-land are Mr J. J. Howard (chairman), Mr J. N. H. Hay, Mr A. A. Horsford, Mr G. R. Kellett, Mr J. K. Clarke and Mr B. H. Stott. Mr Howard, Mr Hay and Mr Horsford are all executive directors of Royal Insurance (the holding company) and Mr Kellett is a deputy general manager of Royal Insurance, Mr Clarke is general manager and Mr Stott is deputy general manager of Royal Insurance (Int.): Mr P. C. Worsfold, an assistant general manager of Royal Insurance (Int.) is com pany secretary.

Mr S. I. Lowry and Mr R. S. Bowie, bave become partners in HYMANS ROBERTSON AND CO, consulting actuaries.

Mr R. M. Bond, chief surveyor, and Mr M. R. Watton, company architect, bave been appointed directors of HIGGS AND HILL HOMES. Mr D. J. Forcey bas been ppointed a director of

DEVITT (Reinsurance Brokers), part of the Devitt Group. Mr Peter Shaw has been promoted to commercial director of ELLIS JONES AND CO (STOCKPORT).

appointed a director of MEACOCK SAMUELSON AND

Mr M. A. N. Pejacsevich, Mr Mr G. J. Hearne (non-Mr K. Whitaker and Mr G. Woods will join the partnership of have been appointed directors SIMON AND COATES stock brokers on January 9.

ULSTER INVESTMENT Mr Bob Lamble has been appointed managing director to WRIGHT AIR CONDITIONING (SCOTLAND); Mr Peter Diamond becomes contracts director. Wright Air Condition porate finance division in addiporate finance division in addi-tion to his duties as deputy chief executive. Mr Went suc-ceeds Mr Michael Meagher who was recently appointed deputy chief executive of Ulster Bank.

> Mr Allan C. Jeans has resumed his post as assistant director at LAZARD BROTHERS AND CO, after completion of his two-year secondment as a secretary of the Panel on Take-overs and Mergers. The BBC has appointed s

open in Truro towards the end of this year. He is Mr Michael Hoskin, who was previously programme organiser at Radio Lancashire Mr Ralph L. Cohen bas been appointed finance director of ASSOCIATED HEAT SER-

VICES, an associated company of the National Coal Board, Ocean Transport and Trading and Compague Ganerale de Chauffe. Mr A. C. Armitage has been appointed chief executive of NEWMAN ELECTRIC MOTORS. Yate, Bristol. He succeeds Mi P. J. Holdstock who bas

Mr D. G. W. Towler has been appointed non-executive director of BULMER AND LUMB (HOLDINGS).

resigned.

Mr Michael B. Beard has been appointed a director GT MANAGEMENT Heather J. Roberts has been appointed a director of GT Pension Services. Mr Dennis Drew has been appointed deputy chairman of

INCPEN (the Industry Commit-tee for Packaging and the Environment), in succession to Mr Donald Raine, who has retired. Mr Drew has just retired as chairman of Bacofoil. Mr John S. Collecott has been appointed to the board of C. CZARNIKOW.

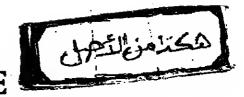
Dr Eric Hall has been elected deputy managing director of STANDARD INDUSTRIAL

Mr Philip Hawley has joined the board of THE ECONOMIST NEWSPAPER, parent of The Economist and The Economist Intelligence Umt. Mr Hawley is the first American to join the board. He is president and chief execu-tive of Carter Hawley Hals Stores. He is also a director of Atlantic Richfield, Bank America Corporation, Pacific Telephone WEIR GROUP, Glasgow, He and Telegraph Company and will continue as managing direc - Walt Disagy Productions.

> Mr J. J. Tilbrook has resigned as a director of J. F. NASH SECURITIES Mr B. S. Robertson bas been appointed secretary by

Cornishman as manager of RADIO CORNWALL, due to

Courses!



# More funds for rubber price pact

KUALA LUMPUR The International Netural Rubber Organisation (INRO) has re-ceived nearly all of the 200m ringgit (£46.5m) which it re-quested from member countries last month in a second call-up of funds for its hiffer stock operation, informed rubber sources said.

Most large contributors, in-cluding Malaysis and the U.S., whose payment amounts to about 100m ringsit, have met the 30-day contribution deadline, the acurces said.

San San All Land

E. ...

They added that the buffer stock manager, who intervened on the depressed market for the first time early in November, had ample financial resources to confinue his purchases.

INRO has received about 300m ringgit since its first call-up was made in early October, they said, made in early October, they said, though they could not give the amount that this buffer stock manager had spent so far to defend the rubber price on the London, New York, Kuala Lompur and Singapore markets. The Kuala Lumpur-based organisation's five-day moving average stood at 175.64 Malaysian/Singapore cents a kilo on Wednesday, more than two cents below the May buy level of

cents below the May buy level of

179 cents.
The buffer stock manager has bought various grades of rubber on the four markets this week, according to dealers, but the moving average bas remained below 178 cents since November

INRO yesterday bought rubber-for the buffer stock for Fab-delivery, London dealers re-

ported.
They said RSS No 1 and 3 grades ware taken, but in small quantity, and prices were not disclosed.

# Colombian coffee record

WASHINGTON - Colombia's 1981-82 coffee crop will total 14m - bags: (60 kilos each), according to the U.S. agricul-ture department (USDA). In its weekly report on world

production and trade, USDA said this represents the sixth successive year of record breaking output: for the world's second largest producer (after Brazii). It compared with 13.5m bags in 1980-81.

USDA attributed the in-creases to expansion of planted area, generally favourable weather, improved farm. management and greater use of high-yielding varieties.

# Thailand attacks U.S. tin stockpile sales

BANGKOK — The Thai In once sgain influential buying halted following signo of dustry Miniotry has asked the held the market steady at 8 improved enquiry particularly Foreign Ministry to protest against the release of tin by the U.S. General Services Administration (GSA) from its strategic

The protest will be submitted by the Thai Embassy in Washington jointly with Malaysis and Indonesia.

The release of tin by GSA onto world markets from last month is adversely affecting tin producing countries economicslly and socially, the Malaysians claim.

The U.S. should consider carefully whether the benefits from the tin release will be worth the ill effects, a Ministry announcement said. Last month's release was made without any notice given to the International Tin Council (ITC). In the past, the GSA advised the ITC that in council the released cold for local would be released only for local consumers, the announcement

On Wednesday, the GSA said it sold 900 tonnes of stockpiled tin at \$7.11 a pound. Since July 1960, when the sales started, it has disposed of 7,025 tonens of surplus stockpiled tin.

On the London Meta Exchange meanwhie tin prices

£8,301.50 a tonne. Speculative selling of copper in the con-tianed absence of any significant the Christmas and New Year industrial demand pushed the holday periods and business LME cash wirebars price down was reported subscurently in

hittla above the £8,300 a tonne from Eastern Europe, for support level. Cash standard nearby delivery metal which is tin ended the day £1 down at in tight supply, reports Reuter.

. London dealers said Eastern LME cash wirebars price down £9 to £837.50 a tonne, the lowest level since late November.

The recent steady decline in tungsten prices on the free previous market quotation of market appeared to have \$120 to \$125.

# Strike shuts Jamaican bauxite refinery

BY CANUTE JAMES IN KINGSTON

550,000 tonne bauxite refinery in central Jamaica after a strike by workers on Wednesday, Industry sources fear that the strike could spread, affecting the other North American mining and refining companies operating bere, and shutting down the industry...

continued under pressure but the mining companies, to replace strategic mineral stockpile.

THE ALUMINIUM Company of a contract which expired at the America (ALCOA) has closed its end of January of last year.

ALCOA spokesmen here bave said the shutdown of the refinery could be long, and that Jamaica's alumina supplies to the ALCOA system would be found from other sources.

The threat to the industry in Jameica, the world's third lergest The strike followed several bauxite exporter could affect months of inconclusive negotia- sales later this year of 1.6m months of inconclusive negotia-tions between trade unions and tonnes of ore to the U.S. for its

# Record sugar crop forecast

BY OUR COMMODITIES STAFF

1981-82 world sugar production £171.225 a tonne. West German statistician F. O. Litcht has raised his projection to a record 96.796m tonnes, up from 95.112 in his first estimate and 87.196m tonnes in 1980-81.

The record currently stands at 92m tonnes in the 1977-78 The forecast, already un sales, officially reported by traders, about was confirmed at Licht's head-year.

day. In Brussels yesterday the EEC Commission authorised the sale of 43,750 tonnes of white, sugar at its regular weekly tender, held a day late this week. A maximum subsidy tevel of 24.12 European currency units per 100 kilos was

the May futures position ended

IN HIS SECOND estimate of £0.60 down on the day at Poland up to mid-December

Enrique Tavares, the Domini-can Foreign Minister, said his planned production, country hoped to sell sugar to Mexico and Venezuela, who were among a number of countries approached with a view to widening the Republic's The country exports about 1m tonnes of sugar a

quartesr in Ratzeburg yester-

2171.Z25 a tonne. indicated the Government's
In Santo Domingo, Sr Mannel goal should be fulfilled, as

### Loan scheme for forestry investors

THE Royal Bank of Scotland The country wants to hao launched a new loan diversify its markets because of scheme to enable investors to U.S. plans to restrict sugar raise cash for purchaeing imports. The U.S. usually forests and forest land with a imports ebout 800,000 tonnes of view to developing them for

Dominican sugar a year.

In Washington the U.S. Under Government policy for Department of Agriculture encouraging private forestry, (USDA) said Poland's production. tion of refined sugar totalled courage investment and plantset. more than 1.6m tonneo in ing and establishment costs in broadly in line with trade fore casts and bad no discernible effect on the market. In London the May futures position ended to the USDA said reports from planting.

# Vegetable supplies hit by weather

Financial Times Reporter

FARMERS WARNED that the recent severe weather has periously disrupted vegatable oupplies, and the effects will be felt for many months.

One major grower of green vegetables, who has lost 25 per cent of his sprout crop, said: "It's a pretty grim prospect— there are likely to be lower supplies of all green vegetables right through until early sum-

The Fresh Fruit and Vegetable Information Bureau also warned that supplies will be badly hit. It said that prices will be higher and quality vari-

Hereford sod Gloucester growers bave reported a 50 per cent loss of the sprout crop. Although it has been specially bred to resist temperatures of minus 8 degrees centigrade, temperatures in the two countiss plummeted to minus

The cauliflower crop in Kent end Lincolnshire has been almost completely wiped out, and the only reasonable quantity of British supplies will come from Cornwall, which has so far escaped most of the snow and frost. Jersey and Britanny will be available but the prices will reflect the sbortage. The cabbsge crop has escaped

much of the bad weather, but prices will rise as the demand for cabbege as a replacement for other crops builds up. Outdoor crops of hard white cabbages have been completely lost and prices will rise, as the only supplies come from etore. Root crops, such as parsnips and carrots, seem to have survived most of the flooding end prices should remain steady.

Potatoes have suffered some frust damage but while prices will he higher than usual, there should be no shortages.

# **Dutch** concern on farm policy

THE COMMODITY Board for grains, seed and pulses said yesterday that European Commission proposals to reform
EEC farm policy are causing concern in the Netherlands.

Mr Van Beukering, board beisen to see the second of the chairman told a New Year meeting that acceptance of the proposals, which aim to curb cereais production by limiting price increases if output exceeds 120m tonnes a year, would be a serious disadvantage to Dutch agriculture.

### **FARMER'S VIEWPOINT**

# Saved by Communism

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

concern to Marxists that the of 8.4m tonnes of beef against Communist bioc is the main the peak Soviet output to date support of espitalist agricul- of 7.1m tonnes in 1978. ture. Were it not for the farm imports by the Soviet Union and certain other States paid for by Russian gold or Western credits, world food commodity markets would be in the deepest of depressions with production curbs the order of the day.

Not all Communist States are equally dependent on Western imports: Hungary is a net exporter and China probably imports no more than sufficient to offset the export of pigs to Hong Kong and s little rice to certain countries. But then They are, 1 have aiways ponsible for between a fifth and observed, among the best farmers on earth, with an understanding second to none for growing things in unpromising surroundings. In China they claim to be supporting 11 people on every bester. the Chinese ars e epecial case.

ing 11 people on every bectare of arable land: in the USSR, arable land supports only 0.8 of a person per bectare.

It is true that the Chiness live on pretty modest diets by

Western standards, and no doubt they would like to bave more to eat. But the success of Chinese farming in feeding a billioo people should never be under-rated.

A comparison between the Soviet Union and the EEC is most interesting. Populations are about the same, but there tha similarity ends. The Com-munity bas an availability of 120m tonnee of cereals or its equivalent-just under bslf e tonne per person. This supplies not only farioaceous food but a fair proportion of meat and milk as well.

The USSR has available including imports eround 220m tonnes of grain or 0.8 of a tonne per person for all requirements including animel feed. Yet the annual consumption of meat products is only 57 kilos per head against 89 kilos in the

Community.

This underlines the basic inefficiency in production terms of Soviet livestock farming and is tonnes, representing a yield per cow just about half the EEC

The U.S. herd is about the same as that of the Soviet Union, yet it produces 11m tonnes of beef, a proportion equivalent to that in the EEC. Soviet meat output per million pigs is about two-thirds, those of the U.S. and West Germany a typical EEC country. Soviet wheat yields are

notoriously unstable and except in 1978 about 75 per cent of those in Canada and the U.S. which have rather similar climates and soil types. Even so. the USSR is the world's single largest wheat producer, resexcept that of Hungary, do they approach those of the EEC. In Poland, yields per cow are among the lowest and meat production in relation to feed inputs is on a par with the

Most Hungarian farming is compulsorily co-operative, like the Russian Kholk bozes. But there are two differences. Much of the pig and poultry produc-tion in Hungary is in private hands and the Hungarians have ploughed up land which for centuries had been used for cattle grazing, thus liberating a store of fertility which will last

for years.

It would be simplistic to blame the defects of Eastern bloc farming on Communism alone. There are countries where yields are very low, notably Argentina where they could have been much higher but have been restricted for years by government action or-inaction in the sphere to taxes

and pricea.
It would also be naive to take as absolute truth all the statis-tics on which this articla is based, although they come from the UN's Food and Agriculture Authority for the most part. The populations on the land in its own food needs before sup-plying the towns. There would be a major incentive to under-

IT MUST be a matter of deep head. The EEC produces a total per cent, could well conceal substantial diversion.

There is no doubt at all that the Eastern Bioc is as well aware of the latest techniques in food production as anyone in the West, particularly the academic circleo. What I did notice on my one visit to Russia many years ago was that the application of modern methods did not go far beyond the col-leges and institutes.

Those responsible for the EEC's Common Agriculture Policy end the rest of world commercial farming must hope this cituation prevails for a long time if not for ever. If the Soviet demand for surplus food did not exist, it would heve to be invented.

# Uruguay may import wheat

WASHINGTON—Uruguay could return to the world market as a wheat importer in future years, says the U.S. Agriculture Department. In its weekly report on world

production and trade, USDA says the Government of Uruguay has announced plans to curtail intervention in the domestic wheat market. It says support prices under the new policy will be pegged

to the international market price for wheat, which tends to be lower than domestic produc-USDA says current plans

could mean no government pur-chases of wheat in 1982-83. These policies could discourage domestic production and return Uruguay to the world market as a wheat importer in future

# **IOD** increases membership

THE Institute of Directors jast year recorded its highest, mem plying the towns. There would its membership, expand its serbe a major incentive to undervices, intensify its representa-state actual production so that a surplus could go safely to a establish new hranches in the Nor is the beef production of a surplus could go safely to a establish new hranches in the like Soviet herd comparable black market or be consumed City of London. Hampshire, with that of the EEC. The total at home. In this connection, the EEC herd amounts to 77m head, and that of the USSR 115m equivalent to 30m tonnes, or 15 director geoeral.

# BRITISH COMMODITY MARKETS

BASE METAL PRICES generally gave Renewed stop-loss selling and short salling coupled with weakness in grecious matals depressed Copper to 1963 before a close of 1989. White Zinc Tokeed at 14475, after 1452, following the producer price cut by Noranda Lead fall to 1347 but rahlad to 1362 do bear covering. Tin was finely 17,915, Aluminium 1598,5 and Nickel 12,847.5. COPPER Official + or p.m. Unofficial

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Cents per pound. I MS per kilo.
Nickel—Mornins: Three months
£2,950, 40, 45, 40, 35, Kerb: Three
months £2,835, Afternoon: Cash £2,880. SILVER

Salvar was fixed 5.8p an cance lower for egot delivery in the London bullion market at 423.8p. U.S. cent egotvelents of the fixing levels were: spot 310.5c, down 15.7c; three-month 336.7c, down 16.5c; six-month 839.2c, down 17.4c; snd 12-month 929.0c, down 17.4c; snd 12-month 929.0c, down 17.4c; and 12-month 929.0c down 19.6c. The marel opened at 427-431p (818-824c) and closed at 428-430p (818-824c)

Morning: Cash £438.50, 38.00,	(817-822c).	-		
three months £448.00, 48.00, 50.00, 51.00, Karb: Three £450.00, 50.50, 50.00, After-Cash. £437.00, three months	Del .	Suition fixing price	- 1	L.M.E. p.m. Jnoffic'i
. 48.00, 49.50. Kerb: Three 8448.00, 47.50, 47.00, 48.00, Nr. 8,175 tonnes.	apot4: 5 months 4:	9,20p	-6.1	427.75p 443.55p
a.m. + or p.m. + or Unofficial +	LME-Turn 10,000 ounce	36,50 <sub>0</sub>	-7.7 ( 20 (1	
677.5-8 6 572.5-3.5 9.5	440.0, 40.5, noon; Three	40.0.	Karb:	Nil. A

a1'2-0 -a	Karb: Inreo months 443.5, 44.0,
sh £577.70.	COCOA
3.00, 20.00, 02.50, Kerb:	Futures opened higher due weaker starling but continued to to
1.50, 02.50, nthe £82.50,	within a narrow range throughout factureless day. Actuals business
ntha 102.50,	scarce although differentials contin to weaken, reports Gill and Ouffus
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March	1195.20 1194.05 1204.00 1213.15 1227.28 1234.38	+6.5 +6.0 +9.0 +5.5	1187-87 1197-87 1205-98 1215-12 1250-25
Salsas 1,	1240.48 ,657 (2.1	(+5.0 (7) kg	ar of 10
(100,40). \$9.63 (98,47	Indicator	price f	or Jan 6;

COFFEE With the recent fallurs to establish a significant breakthrough values returned to previous support levels reports Oraxal Sumban Lamber, Price fixing at the lower levels was in evidence. Commission house setting was generally well absorbed by trade buying, which resulted in a firm close. Yestorday's

COFFEE	Closs	or	Done
	£ par tonn	ia;	1
varch vay vily sept vov	1125-20 1119-20 1115-17	-2.0 +5.0	1127-0 1120-0 1117
Sales: 4.3	14 (2,863) ator prise	s for J	iunsilà.

WOOL FUTURES LONDON NEW ZEALAND CROSS-BREDS-Close (In order; buyer, seller,

BREOS-Close (in order; buyer, seller, business). Naw Zasland cents par kg. Jan 365, 370, nil; March 372, 374, 373; May 376, 379, 379; Aug 392, 393, 394-392; Oct 394, 396, 396-395; Dec 401, 402, 401; Jan 403, 495, nil; March 412, 414, 413; May 421, 423, 423, Salae; 45. Seles: 45.

Sylvery GREASY WOOL—Close (In mitosity firmer trade, the market appeared to loso momentum and trainan cants per kg. March. 498.0, attracted orofit-rakero. Falling prices touched stop-lose salling, before recovering some of the losses towards.

The market opened at the highs and traded just below these levels as physical prices remained aready. Larer, lack plinterest and increased supplies of the physical product caused the market to drift off, reports Premier Vesterdys! Lor! Rusinoss

Month	clore		Done
	S U.S.		
lanuery	327.7e		528.75-27.7
Fabraory	<i>3</i> 23.00		324,50-22,6
March	313,75		\$16,25-13,5
April	306,50	+1.00	507,50-08,5
May	304,50	40.60	505.00-04,50
uno	804,75	+0.25	-
lafy	305,00	+0,55	
August	302,50	-8,50	_
Sept	30a.50	-5.00	
Tumovai	1.771 (1.	299)	ots of 10

**GRAINS** 

Old crops opened slightly higher, new crops unchanged. Early gains in old berloy were lost by hedge solling but larer regemed. Old wheat stronghened on pre-restrution shipper buying. New barley found fresh buyme interest, Acil reports.

	•		-	_
Math	Yesterd'y: 'close	+01	Ypsterd'y: oloss	1
July! Sea	108.95 112.45 115,00 119,00 106,20	+0.40 +0.45 +0.55	102.45	+00+0
Noy Buar 106.75, 118.00-	110,60 . ness don March 115.70, J	±+0,05 e-Wh 112 uly 11	105.55 sat: Jan 1 45-112.20, 9.00 only,	So
67 lor 104,70-	a of 100 104,50, M	tonne arch 10	trades. 15. Earley 17.75-107.50 2.45-102.20	. J

106.35-105.20, Salas: 141 lots of 100 LONDON GRAINS—Wheat: U.S. Dark LONDON GRAINS—wheet: U.S. Dark Northern Spring No. 2 14 por cent. Jan 115,75, Feb 117,00, Merch 118,00 transhipment: East Coast sollaro. English Feed fob, Jan 112,50 East Coast seller. Maizz: Franch, first helf Jan 133,50 transhipment East Coast sellers. S. African Yellow, Merch 75,50 quoted. Barley: English Feed fob, Jan 110,25 Barley: English Faed fob, Jan 110.25 eallar Est. Cosat, Jen 10.15 paid llover. Rest angusted.

HGCA—Locational ex-form spot prose. Other milling wheat S. East 140.10, W. Mids 110.00. Feed barley: S. East 165.00, S. West 165.00, W. Mids 103.40, N. Wast 103.90, The UK Monstery Coefficient for the week beginning Monday January 11 is expected to raman unchanged.

RUBBER

The London physical market opened attendier, attracted little interest at the scouper, attracted into interest at the higher levals and closed quiet. Lewis and Peat recorded a February fob price for No 1 R6 in Kuela Lumpur of 203.5 (200.5) cents a kg and SMR 20 179.5 (177.5).

R.S.S.	- close	PI088	פווסע
Mer Apj-Jne. Jly-Sept Oct-Dec Jan-Mar Apj-Jne. Jly-Sept	\$0,90-51.40 \$2,90-55.00 \$6,10-58.20 \$0,50-59.40 \$2,40-\$2,50 \$5,40-\$5,80 \$8,40-\$8,50	48,70-50,58 50,00-50,50 52,20-52,50 55,50-55,88 88,90-56,70 61,60-62,00 64,50-84,90 67,70-67,80	61,40-61,5 06,00-62,5 68,40-66,5 68,50-66,3 65,60-65,5
		70.88-70.80	

No. 1 Yest'r'ys Previous Susiness

**POTATOES** 

SOYABEAN MEAL The market opened 500 higher on weeker sterling and remained in a neriow trading renge, reports T. G. Roddick.

£ (	
ruary 128,00-28.7;4-1 128,00-28.7;4-1 0. 129,70-30,5-4 129,70-30,5-4 161,50-31,5;4-1 161,50-32,5-1 182,50-36,5-4 182,50-36,5-4	0.25 180.50-50.50 0.15 151.00 0.50 — 0.75 —

**SUGAR** 

LONDON DAILY PRICE—Row auger £151.00 (£157.001 a tonno oil Jan-Feb shipment. White auger delly price £167.00 1£166.00). £157.00 (£165.00).

The market opened on the highs. The increased estimate of world auger production up to \$.796 tone by F. O. (icht for 1981-82 dempened sentiment and velues declined before recovering singlify due to before New York quoterione, reports C. Czarnikow. No.4 Yesterday Previous Business

con-	ciose	clasa	dona
		r tonne	
ev.	171 20.71 26	171.76.71.90	172,76-67,26 175,00-70,00 177,60-73,75
T	178,75-78,90 178,05-80,00	179,60-70,46 179,60-81,26	181,00-77,50 
ay	185,50-87.00	184,50-85,00 185,40-86,85	
Sales	3,608 13.2	264) lots of	50 tomes.

Sates: 3,608 [3,264] tota of 50 townes.
Tate and Lyle delivery price for granulated basis white sugar was 6374.00 (same) a towne for for home trade and £270.50 (£265.50) for export. International Sugar Agreement\* (U.S. cents par pound) fob and stowed Caribbeen ports. Prices for Jan 5: Only price 12.44 (12.47): 15-day sverage 13.08 (13.13). COTTON

**MEAT/VEGETABLES** SMITHFIELD—Pence per cound. Beef: Scorch killed sides 84.5 to 90.5: Uleter hindquarters 101.0 to 104.5. Ioraquarters 63.8 to 66.2. Veal: Outch hinds and ends 139.0 to 145.0. Lamb: English Small 75.0 to 85.0. Medium 78.0 to 83.0; Imported—New Zeelend PL (new aesson) 63.5 to 69.5. PM (new aesson) 63.5 to 69.5. PM (new aesson) 63.5 to 69.5. Pork: English, under 100 lb 40.0 to 58.0. 100-120 ib 44.0 to 54.5. 120-160 lb 40.0 to 51.5.

COVENT GARDEN—Prices for the bulk of produce, in starting per pSckbulk of produce, in starting per p5ck-sgs except where otherwise stated. Imported Produce: Oranges—Mprpccan: Naveje 48/113 3,20-3.50; Spanis: Naveje/Navejinss 42/130 3,00-3.70; Jeffs: Navels 88/144 4,85-5.35. Clementines—Caprio: 2 20.4 80. Lame Jeffe: Navels 88/144 4.85-5.35.
Clementines—Spanie: 3.60-4.50: Moroccan: 1/6 3.30-4.50. Setsumes—Spanie: 3.00-3.60. Lemons—Cypript: 3.80-4.50: Greek: 5.00-8.00: Spania: 40/50 2.40-2.50. Greek: 5.00-8.00: Spania: 40/50 2.40-4.50. emeli cartons 2.80-3.40: Jeffe: 38/68 3.80-4.55. Apples—French: New crop. Gpiden Delicious 20-1b 3.00-4.00, 40-1b 5.00-7.50, Starkerlmson 40-1b 6.50-7.00, 20-1b 3.40-3.80, Grenny Smith 7.00-8.50: Canadian: Red Oblicious

	Jon. 7 198a	+or	
	1804		ago
Metala Aluminiu m Froe Mkt	ee10:e10 \$ 109e: 1126	-1e	£815/516 81126/65
Copper	£837.5 £865,20 £835	-9 -10,78 -12	£848 £868.75 £845
S mthe	2861 8367 £335 £348,75 £3737,75	-5.5 +5	£865.5 8407 £337 £348 £3678.58
Platin mtr'y oz	854 <sub>1</sub> 885 <sub>c</sub> 8260	-5	245/85 <sub>0</sub> 2250
Freemkt Quicksilvert Silver troy oz 5 mths Tin Gash 7 ungsten 22,0 ib	5415/420 423.80p 439.20p 28,301.5 £7,318.5	+3 -5.6 -6.1 -1 +2	£218,65 \$422/478 445,60p 460,40p £8350,p £8882,5 \$157,32
Wolfrm 22,04lbs Zinc Cash 3 mths Producers	\$128/128 £452.5 8448.5	+5 -1 -3	\$124/129 £485.0 £452.5 \$980/50
filis Coconut (Phil). Groundnut Linased Crudo Paim Maisyon.	3547y 5575y	-5	\$550.5 \$710 5480
Soeds Copra Philip Soyabean(U.S.)	\$342.5y		\$367.0 \$256
Grains Bariey Fut, Mar- Maize Wheat Fut, Mor- No2 HardWint	£183.50 i		£107.20 £130.25 £111.55
Future Moy Coffee Ft' Mar Cotton A.index Gas Oil Fob	£1134,6 £1144.5 68,90c \$323	+8.5	£1,267 £1142,0 £1105 57,300 £317,5
Rubber (kilol	100.	+0,5	04.00

‡ Unquored, w Oec-Jan, z Feb, y Jan-Feb. 1 Per 79-lb fleak. " Ghene cocoe. n Nominel. § Seller.

Grapes—Spanish: Almstia 11-16 3.00-3.60, Nagro 4.80-5.00; U.S.: Rad Emperor 0.50-0.55: Chilean: Seadless. Emperor 0.50-0.65: Chilean: Seadless, per petrol 1.10, Stratgerriess-Konyan: 0.60-0.80; U.S.: 12-oz 1.50, Litchees S. African: 0.80. Melons-Spenish: 10-kg 5.00-6.00: 15-kg A.1 10.50-11.00. Pineappies—Ivory Coast: Each 0.40-1.00. Baranas—Colombian: Per petrol 0.18. Avocados—U.S.: Larga box 5.50-6.00, email box 2.50: Canary: Larga box 5.50-6.00, email box 3.50-4.00. Mangoes—Kanyan: 8/16 4.50-5.00; Peruvian: 6.00-9.00. Dates—Tunislan: 30's 0.50-0.50; U.S.: 0.43-0.44. Tomatoes—Spenish: 1.50-2.00: Canary: 1.80-3.50; Moroccen: 1.40-1.50. Orions—Ogenich: Grano 3/5 4.40-4.80. Capsicums—Dutch: 5 kilos, Red 10.00; Canary: Grano 3.50, Red 10.00; Canary: Grano 3.50, Red 10.00; Canary: Grano 3.00-3.50, 4.40-4.30. Capsitums—Dutch: 5 kilos.
Red 10.00; Canery: Green 3.00-3.50.
Red 5.50; Italian: Green 3.00; Israeli:
Rcd 8.50. Cabbages—Dutch: White
3.50. red 4.00. Cauliflowers—Jersey:
24's 7.00-8.00. Celery—Israeli: 4.50-5.00; Spanish: 4.00-5.00. Carross—
Outch: 22-lb 3.20-3.40. ors-oscked 3.80;
Italian: Per cound 0.10-0.12. Lettuces
—Dutch: 24's 3.60-4.80. 12's 2.60.
Cucumbers—Canary: 2.00-3.00. Chicory—
Balgian: 3-kilos 2.20-2.50. Endives—
French: 4.00. New Potatoes—Canary:
28-lb were 5.00, mids 5.60; Italian: Per gound 0.15-0.10; Jersey: 13-lb tubs ware 0.90, mids 0.90; Cypriot: 5.00.
Artichpkes—Egypdan: 7.00; Spanish: 3.50-4.00, Aubergines—Canary: 4.50.
0.00; Israeli: 8.50; U.0.: 10.00. Walnuts—Chinese: Per gound 0.40.

English Produce: Potatoes Per 55-lb. English Produce: Potstose—Per 55-lb, White 2.50-3.50, rad 2.80-8.50, King Edwards 2.80-4.00. Mushrooms—Per pound, open 0.30-0.40, closed 0.55-0.70. Apples—Per pound. Resmitey 0.18-0.28, Cox's 0.20-0.34, Russets 0.18-0.30, Spertan's 0.20-0.25. Peers—Per 28-lb, round 1.20, long 1.50-1.20, 0.18-0.30, Spertan's 0.20-0.25. Peers—Per net 1.20-1.40. Sgrouts—Per 20-lb 2.40-3.20. Spring Greens—Per Comice 0.16-0.25, Cabbages—Per 30-lb 2.40-3.20. Spring Greens—Per 20-lb bag, Celtic/Jan King 2.00-2.50, Lattuce—Per 12, reund 2.00-2.40. Dalons—pound 0.25, Leeks—Per 10-lb 2.50-2.80.

# **AMERICAN MARKETS**

NEW YORK. January 7.

Precious metale recovered most of their early losses loilowing a raily in financial instruments (which aignal lower interest reles). Copper was lower on selling attracted by high exchange stocks. Coffee was under heavy pressure on profit-taking, hearing pil advanced on firmer cash and lack of cettlement by chemical workers. Unfavourable weather is keeping cettle grices attong, reported Heinold.

Copper—Jan 72.05 (72.50), Fab 72.70

(72.2011: Mar 73.50-73.65. May 75.25-18.93). Oec 295%-238%, Mar 295%-238% workers. Unfavourable weather is keeping cettle orices attong, reported Hainold.

Copper—Jan 72.05 (72.50), Feb 72.70 (72.20); Mar 73.50-73.65. May 75.25-75.40, July 76.35-77.19, Soot 78.80, Occ 81.40, Jan 82.25. Mar 83.90, May 85.55.

July 87.20, Sopt 88.85. Salesi S.000.
Potatose (round whites)—Feb 70.0-71.2 [17.2], Mar. 74.0 [75.0], April 79.7-73.5. Nov 76.5-77.0. Salesi 402.
Silver—Jan 828.5 [829.0], Feb 835.3 [836.0], Mar 841.0-844 S. May 860.5, July 882.5, Sapt 902.6, Sopt 902.5, Dec 832.6, Jan 942.5, Mar 962.6, May 3 1239 94)
7 \*Plebnam—Jan 377.0 (377.0), April 382.8-383.5 [381.0), July 394.2. Oct 405.2, Jan 425.2. Sales: 1,483.
\*\*Gold—Jan 399.4 [409.0), Feb 401.6-402.5 [403.0], Mar 405.9, April 409.0-410.5, June 417.3-420.0, Aug 428.5, Oct 488.2, Oct 447.9, Feb 457.8, April 467.9, June 478.1, Aug 428.3, Oct 488.8.

Wednesday's closing prices \*\*NEW YRIK, January S. \*\*March 73.05-73.30, May 74.00-74.50.\*\*

\*\*11Cacose—Merch 2145 (2159), May 74.00-74.50.\*\*

\*\*2142 (2150), July 2160, Sopt 2175, Oec 2194, March 2224. Salos: 1,965. Coffee—"C" Contract: March 142 00-142.25 (143.22), May 135.71-135.90 (135.89), July 132.70-133.00, Sept 123.00-125.50. Salos: 1,500. Sept 123.40. May 123.00-125.50. Salos: 1,600. Cotton—No. 2: March 65.75-65.80 (164.89). May 27.35-67.40 166.35), July 68.80-68.99, Oct 70.90, Oec 71.93-72.00. Sept 494.5.

194.3, Oac 193.5-193.0.
Soyaboan Oil—Jan 19.13-19.15
18.931, Mar 19.62-19.64 [19.44), May
20.25-20.26, July 20.35-29.89, Aug
21.05-21.10, Soot 21.20-21.20, Oct
21.40, Oec 21.70, Jan 21.65-21.70,
†Wheat—Mei 400/-400 (491)-1, May
403-409 (410/s), July 412-412's, Sapt
424's, Oec 441's-442, Mar 455's,
V/INNIPEG, Jan 7.
\$8ariey—Mei 173.30-128.40 (126.82),
May 131.20 [130.50), July 132.80, Oct
135.00, Dec 134.50,
§Wheat—SCWR5 13.5 oct cant pictom content of Sr. Lawrence 238.84
1239.04)

### **EUROPEAN MARKETS** ROTTEROAM, January 7.

RDTTEROAM, January 7.
Wheat—(U.S. S per tonno): U.S. Two
Oatk Hard Winter 13.5 oer cent, Jen
201, Jan 20/Feb 10 202, Fab 20/Merch
10 205, March 20/April 10 208, U.S.
No. Two Red Winter, Jen 173.25, Feb
174, March 177, U.S. No. Throe
Amber Ourum mid-Jen/mid-Feb 206,
Aoril/Moy 194, July 197, Aug 199, Sept
202, Oct 203.60, Nov 205.50, U.S. No.
Two Northern Spring 14 per cent, Jan
20/Feb 10 201, Feb 203, March 205,
Aoril/May 192.50, Juna 193.50, July
185, Canadren Western Bed Spring,
Jan 221, Aoni/May 220,
Maize—(U.S. S per tonne); U.S. No.
Throe Com Yellow, Jan 126.50, traded Three Com Yellow, Jan 125.50, traded affect 127.50, Jan 127, Feb 127.50, Merch 128.50, April/June 131.50, July/ Sept 134.50, Oct/Dec 137.50 sellers. Ocyabeans—(U.S. S per tonno): U.S. Two Yelipw Guliports, Jan 255, Feb

257, Merch 260, April 261, May 253, June 265, July 266, Aug 267, Sept 267, Oct 266.50, Nov 266.50, Occ 270.50, Soyameai—(U.S., Soyameai—(U.S., Jan 238, Feb 236.50, traded effoat 237, Jen 236, Feb 236.50, Merch 238, Aoril/Seot 238, Novi March 245, Jellers, Brazil Pellets, aflaat 245, Jen 254, Feb 257, March 252, April/May 244.50, April/Sept 245 gellers. esilere. PARIS, January 7.

Cocca—(FFr per 100 Hos): Mat 1.797/1296, May 1291/1296, July 1317/ 1325, Sept 1339/1349, Oct 1343/1345, Mar 1353/1369, May 1365/1370. Salos Mar 1357/1857, May 1207/1876. Salos at call: 2.

Sugar—(FFr per tonye): Mar 1855/1901, July 1917/1936, Aug 1960/1870, Orr 1988/1999, Nov 1869/1999, Dec 2000/2015, Mar 2040/2050. Sales at at the control of the control

Spot- 126.74 126.18 359.50450.88 Fut,rs 155.56 134.57 562.63472.70

(New base: Oec 31, 16,74=100)

DOW JONES INDICES Dow Jon. Jan. Month Year Jones 0 0 ago ago FINANCIAL TIMES

MOODY'S

Jan. 0 | Jan. 5 Month ago Year Pgo 992.7 990.1 972.1 1931.8 (December 21, 1931-100)

REUTERS Jan. 7 Jen. 6 Minth ogo Year ago 1603.0 1096.8 1592.3 1730.5 (8asa: 6sptember 18, 1931-100)

Cauliflowers—Per 12 4.50.8 00.
GRIMSEY FISH — Supply pear, demand good. Prices at ship's aido [unpiccassed] per stone: Shell ced [S.00-[7.30], endings [5:00-[5.50]; Large haddock 14.20-14.50; Largs place 16.50, medium (5.00-10.20, bast small £5.00-£5.50; Rechish £2.00; Reds £1.80-

# ART GALLERIES

MARLBOROUGH. 8 Albemarie St. W1.
JOHN HPER Tudor Picturesque office gousches and new greinics. Junil 9 Jan.
82. Man.-Fri. 10-5.30. Set. 10-12.30. WHITECHAPEL ART GALLERY, White-chapel High Str 337 0407. Tabe Aldigate the Str 337 0407. Tabe Aldigate The Transfer Century, Part II 1951-90. Sun-Fr. 1-1-0. L. Sat. Adm. 71 (500). Free Mon. 2-5.

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EVE has suffired the others because of a bolky of fair play and value for masser. Support from 10-3.00 am. Disco and you musiclard. glamparous hosterast. ANTHING ROOTHOWS. 180 Report St. 734 0367.

(0.5, clear per podial). Strip. 55.69 125.69 (125.52); 15-day everage 123.64

24 (ml) loss of 5 lonnes.

Physical cipsing orices (bayata) were soot 49.50p (49.00p); Feb 51.75p (51.00p); Merch 51.250 (50.75).

LIVERPOOL—Spot end shipment sales amounted to 90 tonnes. Fair trading continued, with prices elightly firmer then oil late. Attention was mainly centred on Middle Eastern and

dealings in African qualities.

6.50-7.00, 20-lb 3.40-3.80, Granny Smith 7.00-8.50; Ganadian: Red Oblicious 9.00-11.00; U.S.: Red Oblicious 9.00-13.00; Hungarian: Starking 6.60-7.00. Pasts—Outch: Comics 14-lb. per pound 0.24-0.25. Peaches—O. Alricen: 4.50-5.00. Neotarines—Chilaan: 33/88 8.00-8.00; Zimbabwean: 18/28 4.00. Plams—U.S.: Par opund 0.30-0.40; Chilean: Ganta Ross 17-lb, par pound 0.80-0.30; S. Alrican: Oante Ross, par ppund 0.40-0.50, Beauty 0.70-0.30. Apricots—S. African: 11-lb, par gound 0.40-0.50.

# Sugar (Row).... 128y +4 £163 Woolt'ps 94s kl. 378p kllo + 1 \$74pkilo

JSR. 6 | Jan. 5 Month ago Year ago 248,81 249,61 245,30 262,99 (Base: July 1, 1952-100).

2.50-3.00. Rhuberb—Per 14-lb, get £5.00-£5.50; Rockfish pound 0.25. Leeks—Per 10-lb 2.50-2.80. £2.50; settho £3.70.

secondary issues, Marler Estates

that the NCB Pension Fund had

increased its stake in the com-

pany to 12.33 per cent left Percy Bilton steady at 178p.

Leading Oils turned steadier,

P & O Deferred were briskly

Mining markets remained in

after-hours' trading but losses at

Oils steadier

b Eg	# FO	81/ <b>8</b>	Stock	Closing	نـــا		<u></u>	Para Para Para Para Para Para Para Para
(\$0 F.P. (\$5 F.P. (\$25 F.P. 82 F.P. 80 F.P. (\$50 F	- 98 5/2 240 29/1 25 13/1 84 - 10 22/1 50 22/1 109 4/1165 - 505 9	230 82 81 9 51 9 156 275 68 156	Asprey Asset Spelai 10p. Asset Spelai 10p. Baillio Giffordd'n Tst Comp. & Systs. Eng 25; Cussins Prop. 20p Equipu. 10p. F & C Enter. Warrant "Good Rolations 10; - Gr'nw'hCable&Cm E Herdang er Frop. 10; - Haytors £1.  Peek Hidgs Sheidon Jones Boeynawk. 10p. Vinors 1p.	298 31 220 250 250 250 250 250 250 250	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	b0.5 b3.15 b4.9 bd8.1 bd9.8 bd9.8	1.2 2 3.8 2 2.5 8 3.1 6 2.2 N	M4.87) 14.5.1 5.12.46 1.9.12.1 1.6.4.4 1.5.7.3

### **FIXED INTEREST STOCKS**

6	quotations fluctuating narrowly	PIAME INTEREST COURS	٠		
5 - 1	before closing without much alteration on the day. British Petrolenm settled with a rise of 2 at 302p and Shell classed varianced at 390c. Ultramar,	Issue High Low Stock	Giosing price &	+ 01	
i g	up to 480p at one stage on the Moray Firth drilling report, drifted off to close 2 cheaper on balance at 473p. Among the more speculative, exploration issues. Flair Resources rallied 10 to 180p. Pict, in contrast, gave up 5 further to 145p and Snn (UK) Royalty weakened 10 tn	100 F.P.   25/2   103   102   Essex Weter 102 Rod. Prf. 1985   1   100 F.P.   1001e   29   Nat'wide 8dg. Society   528da (24/11/82)   100 F.P.   100   6214   Co.   15/2 8ds.   15/12/82   100 F.P.   100   6214   Co.   15/2 8ds.   15/12/82   100   6214	99 57 78		
_	(UK) Ruyarty weakened to de	·			

### "RIGHTS" OFFERS

!ssue prico p	Am'unt pald up	Renu dat	nc.	198 High		Stock	Price + or
712 146 2.5A\$ 152 25 44 712 50 25 50 cts	F.P. Nil F.P. Nil F.P. F.P.	12/12 17/12	21/1 10:11 21/1	158 92pm 5pm 183 9pm 50 10 54	155 60pm 1pm 176 71spm 48 73s 50 1pm 109pm	Abwood Msch. 7 2p Brown (M) G 9 R AS1 Cariton Real Ests. 10p Oreat Portland Estates 50p Lennons Grp. 10p Regian Prop. 1p Strong & Fisher Telfos 20p T N T 50c Wearweil 2p	58 pm -2 5 pm +1 176 2 pm +1 50 10 +4 51

Renunciation date ceually lost day for deeling free of examp duty b Figures based on prospectue estimate. d Dividend rate paid or psyable on pert of capital: cover based on dividend on full capital. g Assumed dividend and yield. h Assumed dividend and yield after scrip lasue. m interim since increased or reeumod. u Forecest dividend: caver based on previous your's earnings. F Oividend and yield based on prospectus or other official estimate for 1981. Q Greea. T Figures essumed. ‡ Cover allows for conversion of others not now renking for dividend or ranking only for restricted dividendo. § Placing price. p Pence unless otherwise indicated. I Issued by tendor, [6] Offered to holdern of ordinary others as e "rights." Issued by way of copitalisation. SF Rointroduced. Tilesuad in connection with reorganisation, merger or takeover. [6] Introduction. [1] Issued to former preference holders. Stallotment letters (or fully-peld). Provisional or pertry-paid eliotment etters. & With warrants. 17 Desilings under special Rulo. & Unlisted Securities Merket. \$\frac{1}{2}\$ London Listing. Tetrective issue price after scrip. 1 leaved on a unit comprising 33 Ordinary and £5 Loan 1986-88.

### ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock loweter a Beara Deferred inh (G. M.) illott Brothera Cl	Closing price pence 226 350 195 180 300 214	. nay'o change .+ 5	Stock P. & O. Deferred RHM Smith St. Aubyn Yeta & Lyle	losing price 134 160 35 208 473	0ay'e change + 1 + 1 - 2 + 5	
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### WEDNESDAY'S ACTIVE STOCKS Based on bargains recorded in SE Official List

•	.We	dnesda	y's .	-	Wa	dnasday	0
	Na. al price	cloxing price	Day's		No. of	closing price	Day's
	chenges	pence	change		changes		change
EC		210	+ 2	Rand London		130	+ 5
ube invs		126	+ 4	Royal Ins	10 10	327 208	+ 1 + 2
lyl 9k of Scot lank of Scot		197	:+11 +17	Tate & Lyle Bowater	•	221	7 3
uro Farries		79	4 2	Plassey	9	360	+.7
able & Wire		210	+ 2	Rank Org	9	178	+ 2
SUS A	. 10	435	+ 2	Vickers	2	150	+ 6

# Leading shares continue advance but Discount Houses weaken with Smith St. Aubyn tumbling 97 to 35p

Account Dealing Dates Option

\*First Declara Last Account Dealings tions Dealings Day Dec 23 Jan 7 Jan 8 Jan 18 per cent to 211.15.
Jan 11 Jan 21 Jan 22 Feb 1 The absence of Jan 26 Feb 11 Feb 12 Feb 22

"New time" dealings may take place from 9.30 am two business days

Brighter naws on the indus-trial relations front via the majority wote for acceptance of the pay offer at Ford and the General and Municipal Workers' acceptance of the Water Board's offer supported leading equities, but achieved little for Government Securities yesterday. Most blue chip industrials in London stock markets were unaffected by the current deterioration in New York values, which alipped further in yesterday's early

trade. Lack of investment demand saw leading shares drifting back from higher npening levels, bot most began to gather strength later and many closed at the best. Speculative interest on bid inpefuls was a major influence throughout the session, but the day's outstanding feature was the unprecedented collapse in Discount Houses. This followed Smith St Aubyn's disclosure of losses which had ex-hausted group reserves and a call for fresh funds through a proposed £2.7m rights issue. Smith St Aubyn dropped from the overnight 132p to only 35p far a massive fall of 97 to take

group's market value from

£141m to around £34m. Other Discount Houses sustained losses ranging to nearly 40 and the FT-Actuaries sector index fell 12.8

The absence of a rumoured market raid failed to dampen speculative enthusiasm for Unigate. Continued talk that the group is a target for either a raid or a full-scale takeover took Unigata up to 115p before a close of 5 higher on balance st 113p. Bid speculation also continued in Hoover, 10 up at 94p, but Kwik Save eased 4 to 214p after news of the proposed near-£12m rights issue. Measuring tha continued firmness of leading shares, the FT Industrial Ordinary share index closed 5.8 up for a two-day rise of 11.4 to 529.5. Apprehensive about possible

repercussions of the Smith St Aubyn affair, the Gilt-edged market initially traded easier. Losses extending to i were, howevere, reduced on talk of official support for the market. Mediums and longs finally reverted to the overnight positions, but the shorts still closed 1 off awaiting today's debut of the special low-coupon Treasury 3 per cent 1987.

### Discount Houses flat

Contracts completed yesterday in Traded uptions amounted to 1,792, the majority of which were traosacted in calls of which BP 299 respectively. Asset Special Situations Trust

made a quiet market debut at



to the better-than-expected pre-

Leading Stores attracted steady institutional support during the afternoon session and

closed at the day's best. Gussies A remained to the fore with a

gain of 8 at 443p, while Marks and Spencer rose 5 to 130p.

British Home, 121p, and Burtun, 136p, added 3 spiece, end W. H. Smith ended 7 to the good at

155p, MFI, interim results due later this month, added a few

pence to 62p, but Bakers Himse-hold turned down after disap-pointing preliminary figures and

closed 9 lower at 158p. Pally Peck came in far renewed specu-

lative support 20d rose 20 at

375p, with Cornell Dresses 11 up et 163p in sympathy. Mail-orders

also took a turn for the better

and gains of 6 were noted in Grattan, 98p, and Freemans,

Persistent profit-taking and lack

of fresh support took its toll on

Amstrad which touched 190p be-fore closing 22 down for a two-day loss of 35 to 195p. Elsewhere

in Electricals, Quest Antmation declined 7 for a two-day relapse of 40 to 93p following the dismal balf-year results. Electronic

Rentals softened a penny to 84p. after 82p, following the interim results but renewed support left

George H. Schnles up 6 more at

258p. Revived hopes of 2 bid from Tyeo Laboraturies left

Muirhead a few pence dearer at

112p. Philips Lamps featured the leaders with a rise of 20 to 447p

and Plessey continued firmly at 362p, up 2. On the other hand,

Thoro EMI, first-half figures duz

liminary results.

291p compared with the placing price of 30p. Elsewhere in the new issues sector, Asprey rose 50 to 875p following the interim

The shock statement from Smith St Anbyn completely demoralised the Discount House sector. Fullowing a 30 minute stoppage in business while jobbers studied the implications prices re-opened sharply lower prices re-opened sparply lower and continued to retreat on fresh selling. Smith St Aubyn closed at the day's lowest of 35p, down 97. Elsewhere selected Issues rallied slightly towards the close, but dalls ranging to 38 were sustained with Gülett that much down at 180p. Cater Allen fell 30 to 275p, while Gerrard and National relingoished 23 to 245p and Seccombe Marshall and Campion 15 to 210p. Alexanders shed 13 at 230p. Union showed resilience in ending only a net 5 lower at 400p, after 385p. Among the smaller-priced issues, Clive softened a couple of pence to 17p, after 16p, while Jessel Toynbee gave up 5 to 58p as did King and Shaxson, to 78p.

The rest of the banking sector passed a quietly dull session. The major clearers lacked support major clearers lacked support and closed with minor falls, while Reyal Bank of Scotland met profit-taking and lost 3 to 194p awaiting the Monopolies decision on the bid situation. Guinness Peat at 93p, gave up 2 of the previous day's Pressinspired gain of 7.

Scottish and Newcastle provided a latz firm feature in otherwise subdued Breweries, rising 24 to 53p on regived rumours of a dawn raid. Among regionals, Higsons shed 5 to 70p, after 68p, following the bearish tone of the chairman's annual review.

Blue Circle held at 504p, the company's intention to sell its sand and gravel interest making no apparent impact. Other leading Building issues were inclined firmer in the late trade.

KCI supped to 288p before late at 195p. Birmingham Pallet con-lemand last the close a net 10 up trasted with a fall of 6 to 34p demand laft the close a net 10 up at 300p. Elsewhere in the Chemi-

VALUE DE

COUNTRY

GURRENCY

taking recently, revived with a advanced 10 to 183p. gain of 7 to 260p. Other firm spots included Lake and Elliot, a low elli and the leaders drifted 3 up at 39p, and Brockhouse, 1 2 few pence easier. dearer at 30 p. Up 10 late on Wednesday on attracted revived speculative peculative buying, Unigate interest and added 3 to 60p. News speculative buying. Unigate slipped to 106p in the absence of the rumoured dawn raid on the

company before another speculative flurry left the close a net 5 up at 113p, after 115p. Else-where in the Food sector, Kwik Save dropped to 210p before settling just 4 cheaper on balance at 214p on the £11.88m rights issue proposal; William Low jumped 10 to 170p on speculation that the rights issue pro-ceeds might be used to lzunch a takeover hid for the company. Other bid favourites attracted nsw-time interest, RHM 2dding 11 to 60p. Fitch Lovell 3 to 78p, and Single 2 to 35p. Cullens put nn 7 to 235p following Press

Leading Hotels and Caterers closed narrowly mixed. Grand Metropolitan softened a couple Among Financial Trusts, Kitchen Taylor featured with a jump of 18 to 120p in response to the better-than-expected pre-liminary results. R. P. Martin, on the other band, gave up 10 to 3050 of pence to 182p, but Trusthouse Forte improved that much, to 121p. Ladbroke also hardened 2, to 130p, following the asset sales.

### Hoover A wanted

Helped earlier in the week by reports of a mini-boom in washing machine sales, Hoover A made further good progress yesterday when rising 10 afresh to 94p nn speculative buying fuelled by revived takeover hopes. Demand of a similar nature lifted Berwick Timpo 6 to 36p. Smiths Industries added 13 to 370p in response to investment buying. Arthur Holden improved 4 for a two-day advance of 54 at 162p following Inter-national Paint's surprise acquisltion of a 12 per cent stake in the company at 150p per share. Applied Computers put on 7 to 155p as did Sidlaw Industries, to 232p, but Peter Black, a good market of late, lost 5 to 211p fullowing the interim results. The escalating row over Mr Jack Gill's compensation payment left Associated Communications A a couple nf pence off at 50p. Bowater were fairly active and 5 higher at 226p, after 231p, nn

Among the other leaders, Reed International were notable for a gain of 8 at 250p. Revived takeover bolstered Henlys, 7 dearer at 104p. Elsewhere amung Motor Distributors, Ford dealers drew strength from the likelihood of

next Thursday, cheapened 2 to 458p, while GEC declined 4 at Leading Engineers edged a John Waddington touched 95p few pence higher in quiet trad-ing. GKN firmed 4 to 165p and following the recovery in firsthalf profits, but reacted sharply John Brown put on 3 more to 58p, while Hawker ended a couple of pence dearer at 322p. Elsewhere demand in a difficult market left G. M. Firth 10 higher on consideration of the omitted interim dividend to finish 8 lower on balance at 86p. In contrast, Transparent Paper rose 4 to 30p in response to the company's confident outlook on future trading. Elsewhere. on the annual loss and passing of Associated Newspapers made the dividend. United Engin- further progress in front of next

# and settling at 134p for a gain of a penny. Elsewhere in Shippings. Lyle firmed 5 to 295p and Ocean Transport put nn 4 to 109p.

traded again and opened higher at 138p before falling to 131p in the absence of bid developments A couple of outstanding firm features emerged in Plantations. Sogomana jumped 30 to 455p. after 470p, following news of a possible sale of assets and, in Teas, Surmah Valley stood out with a gain of 13 to 113p. Golds drift the doldrums as a general lack of interest followed further poor performances in precious and base-metal markets. South African Golds drifted throughout the day, depressed by the \$5.5 fall in the bullion price to \$397 an ounce.

Actual selling pressure was speculative support. revived buying interest was reported in

the close were sufficient to lower the Gold Mines index a further 1.9 to 299.0; this is the first time the index has fallen below the 300 level since the end of the company's wage offer gaining general acceptance. H. and J. Quick added 4 to 46p, while Harold Perry, S2p, and Dorada, 31p, both firmed 2. Prominent heavyweights in-cinded Hartebeest and President

Brand, which fell I spiece to £261 and £177 respectively, while in the medium and lower-priced issues Blyvoor dropped 10 to a
1981/82 iow of 509p.
South African Financials
mirrored the pattern in Golds.
Auglo American Corporation
eased 5 more to 650p. De Beers closed unaltered at 350p, after 352p despite expectations of a heavy fall in the 1981 world diamond sales figure which is due to be appounced in

# gained 12 to 212p in response eering, the subject of profit week's annual results and few days. **NEW HIGHS AND**

**LOWS FOR 1981/2** e following quotations in the Shar nation Service vesterday attained now and Lows for 1931-82.

NEW HIGHS (15) BRITISH FUNDS (1) SPC '02 MMONWEALTH LOANS (1) 51-90 '01-92 CHEMICALS (1) Hickson and Weich ELECTRICALS (1) Scholes (G. H.) ENGINEERING (1) Brown and Trivie Applied Computer
INSURANCE 11)
Brentnall Seard Braid Group TEXTILES (1) Strond Riley
OIL ONO GAS (1)
Jinckson Exploration
OVERSEAS TRADERS (1)
Steel Brothers

NEW 2007-FOREIGN BONOO (1) Iceland 14 lpcLn, 2013 CANADIANS (2) CANADIANS (2) Recal Gull Canada

BANKS 14)

Smith St. Aubyn

era Union Discount

ELECTRICALS (1) Quest Auto
INOUSTRIALS (2)
Holden (A.)
Schlumben Holden (A.) INSURANCE (1)
Ennia UK Spc Cny.
OIL ANO GAS (1)

# RISES AND FALLS YESTERDAY

British Funds Corpus., Dom, and	Rises 3	Falls 22	\$ame 87
Foreign Bonds Industrials Financial & Props. Olls Plontations Mines Others	10 287 82 24 2 20 49	138 77 26 4 50	53 532 352 60 18 98 53
Totala	477	374	1,634

# **OPTIONS**

Last Last Desi- Declara- Settle ings ings tion ment Jan 4 Jan 15 Apr 15 Apr 26 Jan 18 Jan 29 Apr 28 May 10 Feb 1 Feb 13 May 13 May 24 For rate indications see end of Share Information Service Cail options were struck in Lofs, Dufay Bitumastic, James Finlay, ICL, Cultus Pacific, Sangers, Bowater, FNFC, Haw-ley, Hawkins and Tipson, Midland Bank, Phoenix Assurance, KCA International, Western Mining. P & O Deferred. Huntley and Palmer, Racal, Tozer Kemsiey and Millbourn, Town and City Properties and Rayal Bank of Scotland. A put was done in Royal Bank of Scatland, while doubles were arranged in P & O Deferred. Town and City Properties and

Royal Bank of Scotland.

# FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS	1	w tards	<b>-</b>	1982		Jan .	Jan 5	4	Dec 31	ago Capprox
& SUB-SECTIONS Figures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	locies No.	Index No.	Index No.	intex No.	Index No.
1 CAPITAL GOODS (216)	354.30	+0.4	9.82	4.50	12.54	352.72	351.70	355.24	358.85	279.7
2 Building Materials (25)	301.30	+0.6	15.02	5.70	7.61	299.54	293.65	302.23	301.89	240.0
3 Contracting, Construction (28)	. 533.27	+0.7	17.55	5.29	6.66	529 58	531 31	534.37	534.42	403.3
4 Electricals (30)	. 1232.74	-0.1	7.36	2.33	17.38	1234.54	1230.13	1208.11	1257.81	923.6
5 Engineering Contractors (9)	. 500.12		12.74	5.65	9.16	492.45	490.68	491.91	490.87	388.0
6 Mechanical Engineering (67)	190.94		11.12	5.72	11.47	128.93	188.63	190.89	193.91	168.0
8 Metals and Metal Forming (12)	163.06		8.45	7.47	15.99	160.95	160.51	165.04	167.22	133.5
9   Motors (21)	94.83	+11	I -	7.28	_	95.80	92.62	93.65	93.99	90.2
Other Industrial Materials (18)	370.51	+0.5	8.95	6.25	13.64	368.52	365.84	370.47	374.19	283.1
ZI CONSUMER GROUP (198)	269.68		13.49	6.14	9.10	266.34	255.57	267.53	269.25	233.6
2 Brewers and Distillers (20)	. 267,14		17.48	7.32	6.84	267.79	266.31	269.29	272.42	250.3
Food Manufacturing (21)	265.41	+0.7	15.66	6.42	7.68	263.67	<b>261.73</b>	263.57	.263.58	298.3
6 Food Retailing (15)	546.91		9.71	3.59	12.47	546.47	545.79	<i>5</i> 51.74	551.28	475.5
Health and Household Products (7)			9.15	4.68	12.84	339.58	338.70	342.20	345.96	252.0
19 Leisure (24)	421.55	+8.4	9.69	5.22	12.86	419.95	414.53	429.72	420.24	339.2
13 Packaging and Paper (13)	134.41	+1.0	12.80	6.26	11.32	476.64	474.63	<b>GL</b> 65	473.75	423.3
Stores (46)	243.57	+1.5		8.01	7.89	132.63	130.74	131.31	132.65	) ms
5 Textiles (23)	155.44		11.90	5.54	11.25	238.19	238.62	239.03	240.51	26.6
36 Tobaccos (3)	257.47	+25	10.23	6.38	12.60	153.59	152.91	154.04	156.46	124.1
99 Other Consumer (1/4)	256.94		22.48	10.12	5.11	251.28	253,74	255.93	268.95	195.4
1 OTHER GROUPS (79)	232.52		7.59	7.63	22.07 11.58	253.68	252.58	250.87	247.87	235.7
Chemicals (36)	306.04	+23	5.91	5.91	26.48	229.87	228.88	258.41	232.39	214.2
4 Office Equipment (4)	117.90		15.51	7.47	7.71	299.04	297.89	298.64	302.08	206.3
5   Shipping and Transport (13)	530.49	+0.9	26.20	6.96	5.89	525.77	117.66	11878	121.42	. 98.6
6 Miscellaneous (46)	290.87	+0.3	12.54	5.56	9.71	290.83	515.46 289.92	535.07	519.74	532.6
19 (NIDUSTRIAL GROUP (487)	293.06	+0.8	11.74	5.49	18.54	2068	281.73	293.37	294.90 294.58	257.5
D 015 (13)	715.15	+82	19.91	7.90	5.64	713.61	719.41	728.81	78.56	247.7
9 500 SHARE INDEX	327.33	+0.7	13.16	5.91	9.18	125.00	324.65	377.61		
FINANCIAL EROUP (119)	250.17	-03	<del> </del>	6.09		251.83	249.34		330.99	2/13
2 Banics(6)	284.19	-0.8	31.71	6.65	3.69	286.47		23.6	25.11	231.1
3 Discount Houses (9)	211 15			10.49		262 70	200.96	256.26	287.11	249.4
5 Insurance (Life) (9)	248.42	+0.3	l =	6.45	l = .	247.72	246.82	246.20	246.71	294.6
6 Insurance (Composite) (10)	149.85	-0.1		8.94	_ :	150.00	149.56	249.24	252,10	223.4
7 Insurance Brokers (8)	414.27	+8.2	11.24	5.57	12.05	413.34	413.66	152.72	155.05	145.4
8 Merchant Banks (12)	153.74			531		153.30	153.24	413.50	417.13	311.2
9 Property (50)	444.63	-0.2	498	3.29	26.85	445.57		155.28	156.63	14.5
70 Other Financial (15)	174.30	_	17.08	6.15	7.20	174.26	46.82	448.50	452.91	446.1
1 Investment Trusts (110)	283.96	+0.2	-/-90	5.70	7.20	263.53	175.10	178.62	177.99	169.8
1 Mining Finance (4)	228.01	-0.1	1533	6.23	7.96	228.15	243.59	25.33	25.9	200.9
1 Overseas Traders (17)	404.71	+0.2	12.54	7.86	9.74	403.88	229.84	229.84	234,15	222.4
ALL-SHARE INDEX	309.15		12.74.	5.97	7.74		399.21	493.13	463.77	425.6
	.,	103	<u>. – </u>	3.37.	_	341.12	<b>3711</b>	319.19	313.12	285.7
FIXED INTER					GE ER			There	Wed	Year

	FIXED INTEREST							AVERAGE GROSS REDEMPTION YIELDS	Thur- Jan - 7	Wed Jan 6	Year ago (approx.
_	PRICE INDICES	Ther Jan 7	Day's clange _ %	Wed Jan . 6	nd adj. today	ut adj. 1982 to date	N ES FC	British Government Loss 5 years Coupons 15 years	15.34 34.25	13.39 34.28	11.99 11.99
1 2 3	British Government 5 years	165.54 96.82 99.92	-4.09 +0.41	105.64 98.81 99.92	J ~ ~	0.00 0.00	4 5 6 7 8	Jedon 5 years Coupon 15 years Coupon 15 years High 5 years Coupon 15	14.16 14.36 15.40 14.23	MA MB MB MB MB MB MB MB MB MB MB MB MB MB	11.95 13.95 13.95 13.95 13.95 13.95
5	All Stocks	308.39 3/11.04	-0.82	108.39 301.07	_	0.00 0.00	9812	الذمر	£1)	<b>L</b> A	
7	Preference	78.47 61.65	+0.36	78.82	<u> </u>	9.00 8.00	N N				

# Financial times stock indices

	Jan.	Jan. 5	Jan. 5	Jan. 4	Dec. 51	Dec.	year ago
Government Secs.,	21,97	62.00	51,29	62,34	52,37	62,36	68,85
Fixed Interest	62.7e	62.87	52,88	63,15	55,18	63.11	70,e1
Industrial Ord	e29.5	593.7	518,1	522,8	530,4	528.8	460,2
Gold Mines	999,0	300.9	302.0	301.3	307.5	308,9	404.9
Ord. Div. Yleid	5,27	5,71	5.76	e.73	5,65	e,57	7,77
Earnings, Yld. % (full)	9.96	10.03	10.12	10,05	9.91	9,95	17,39
P/E Ratio (net)( *),	12.83	12,73	12,62	12.70	12.88	19,84	7.05
Total bargains	12,671	10,393	10,090	13,503	11,422	9,140	20,275
Equity turnover £m.		87.54	50.86	58.19	43,78	66,46	106,46
Equity bargains	_	11,096	18,319	10,671	8,217	2,212	15,629

2 pm 526.0. 3 pm 526.7. Latest Index 01-246 8026.

Basis 100 Govt. Secs. 15/10/28. Fixed Int. 1928. Indus 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS	AND	LOWS	S.E.	ACTIVIT	1
			 		7

	1981/2		Since Co	mpilat'n	1 1	Jan.	Jan. 1
Ţ	High	Low	High	Low	· ·		<u> </u>
Goyt, Secs Fixed Int	70,51 (20/6) 72,01 (20/6)	60,17 (26/10) 61,51 (26/10)	127.4 (3/1/85) 150.4 (28/11/47)	(8/1/76) 50,63 (6/1/76)	Daily Gitt Edged Bargaina Equities Bargains Valua 5-day Avrge.	178,1 75,2 .175,9	172,9 79,2 183,5
Ind. Ord Gold Mines	597.3 (88/4) 422.0 (14/9)	446.0 (14/1) 262.5 (29/8)	558.9	(28/6/40)	Gilt Edged Bargains Equities	128.4 56.2 145.4	109.3 58.2 122.2

# **WORLD VALUE OF THE DOLLAR**

Bank of America NT & SA, Economics Department, London

ratiow gives the rates of exchange for the U.S. dollar against various as of Wadnesday, Jenuary 6, 1982. The exchange rates listed rates between buying and salling rates as quoted between otherwise Indicated. All currencies am quoted in foreign lits per one U.S. dellar currencies.

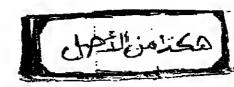
COUNTRY	CONNENCT	DOLLAR	COUNTRY	CORRENCT	DOLLAR	I ———		
Afghanistan Afg	gheni (O)	50.08	Guadaloupe	Frezo	5.706	Pitcairn is	N.Z. Collar	1,217e
Albania Lei	k	5,9378	Guerra	U.S. S	1.00	Poland	Ziotv (O)(3)	80,00
Algaria Dir	nar	4,1675	Guatemala	Quetzal	1.00	Portugal. Port Timor. Puerto Rico	Escudo	5e.30
Andorra	Fr. Franc	5,706	Guinea elssau	Peso	27,7112	Port Timor	Escudo	n.a.
Artopria18	Ap. Pesete	96.65	Guinea Rep	Syli	91,1574	Puerto Rico	1.a. \$	1.00
Angota	Vanza	50,214	Guyana	Dollar	5,0026	Qatar	Rivel	5,6397
Antigue E. (	Caribbean #	9.7025	Halti		5.00			
Argantina Pe	seo (a) (4)	10400.00	Honduras Rep	Lemoire	2.00	Reunion lie de la	-r. Franc	5,706
Australia Do	llar	0,8887	Hong Kong	Coller	e,701	Romania	eu (O)	4.47 92.84
Austrie Sol Azores Po Bahamas Do	hilling	16,8125	Hungary.	Forint	35.00	Kwanda	reno (	82,04
Azores	IL ESCUÇO	65.30 1.00						
Banrain Dir	ner	0.3769	lceland	Krona .	8,1a	St. Christopher	Carlbbean 3	2.7026
Release to Sp	Desein	98.65	IndiaIndonesie	ynbėe	9,1075	St. Helena	ound*	1.2283
Balearic Is	ka	17.75	Indopesia	Aupiah	630.00	St. Lucia	Caribbean F	2,7065
Barbados Do	ilar	9.01	iran Iraq Irish Rep	KISI (C)	79,00	St. Piorre	Franc	5.706
Berbades Do	anc (C)	38.22	Iraq	Direct Direct	0,2999	St. Vincent	Caribbean #	2.70ee
Reigium Fra	anc (F)	42,20	I Invest	Punt ·	1,5755 18,63	Samos (Western)	ala	0.9346 ( 1.00
Belize Do	War	2.00	Halv	i ira	1901.50	San Marino		1201.50
Berlin Do Bermude Do Bhutan Inc	F.A. Franc	285,30	ItalyIvory Coast	C.E.A. Frenc	985.30	Out 1000 1170 000-1-1-1-1-1		100,100
Bermuda Do	llar (	1,00	lamalas	Salles		Sao Tomo &		
Bhutan Ind	d. Rupee	9,1075	Jamaica	North Total	1,7834 212,75	Princips DR	Obra 1	38.7 <b>832</b>
Bolivie Per Botswana	<b>5</b> 0	24.75	Japan	7 Gil	0.3855	Saudi Arabia R	tiyal (	3,4095
BotswanaPu	14.	0,8782			1 0,0000	Senegal C	A.F.A. Franc	285,50
Brazil Cri	uzeiro	127,48	Kampcohee	Riel	10,2346	! Savohelles R	ในกลด โ	7.1807
grunal Do	ital.	2,049	Кепуа	Shilling	10,2346	I MATTE LEODE L	ACDA 1	1.1716 I
Burma,	<u>.</u> .	0,662 6,451e	Kiribeti	Aust. Dollar	0.8887	Singapore	ollar	2,049
Burundi Fra	EL .	90.00	Kampcohee Kenya Kiribati Korea (Nth)	Won	0,94	Solomon M	ollar	0,8906
			VOLOR (ORI)	MOI)	690,40	Somail Rep \$	Fulline (b)	6.35
Cameroun Rp C.F	F.A. Franc -	286.20	Kuwait		0,2812	South Africa R	hilline (7)	12,46 0.eee1
Ganada Do	ilar f	1,1654	Leo P'pis D. Rep	Kip	10,00	Casis	petrice )	
Canary is Sp.	, Pesete.	26,65	Lebanon	Pound `	4,63	Spala.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		26,65
Cape Verda Esc	cugo i	36,61	Lesotho	Loti	0.9551	Span. Ports In N.		
Cayman Is Do Gen. Af. Rep C.F	liar	0,835	Liberle	Collar	1,00	Africe	Sp. Pesets	66,65
Gen, Ar. Rep G.F	-A-FIRING	285,30	Libya	Piner	0.2961	Sri Lenka R	tunes	20.56
DD80		285,30	Liechtenst'n,	Sw. Frana	1.7985	Sudan Rep	Country IT\	1,1111
		29.00	Luxembourg	Lux Frans	3B_29	Surinam .	ullder	1.765
Ghina Rei	nminbi Yuen	1.7455	Maceo	Pataca	6.9262	Surinam	ilangeni	0.9331
Colombia. Per Comores	<b>36</b> (U)	59.13	Macao D. R	Franc	285.30	Sweden	Crone	5.575
Comores C.F	-A. Franc	285,30	Made ra	Port. Exemple	285.30 65,30	Swedan	fana	1.72B5
Congor plantsplot Cir	THE PERSON	285,30	Malawi	Kwacha	1.906	Syrie	ound	3,9259
Costs Rica Col	юл (О)	e.50 20.03	Malawi	Ringelt	2,2435			
		0.8012	Maidiye is	Rubes	3,93	Talwan	Oliar IO)	37.e1
Gube Per	=======================================	2.9967	Mail Rp 1	Franc	570,60	Tanzania 9	Rilling	8.0382
Cyprus	unu /Al	. 8.80°	Maita	Pound*	- 2,6093	Thailand,	ent .	25.00
PERUOSIOANDING VOI	Laure (A)	. 0,00	Mertinlaue	Franc	5,705	Togo Rep C Tonge is P Trinklad & Tobago C	F.A. FIRMO	925,30
Denmark Kro	nna !	7.325	Mauritania	Ougulyz	57,06	Tongo is	a outle	0.8887
Dilbouti Rp. of Fre	BRC I	178.30	Mauritius	Rupes	10,7136	Tunicia D	oner I	9.4065
Pominica F. 4	Coribbean 2	2,7095	Mexico	Peso	25,98	Turkey L	lun.	0.5119
Dominica E. ( Domin. Rep Per	MI IOOMAN T	1.00	Miqueion	Fr. Franc.	5,708	Turks & Caicos	ira	125,01
Editodor Otto		28,423	Monaco	Fr. Frenc	3,706	Turnin	vet Delle-	1.00
Ecuador 9us	unde (O)	1,4493	Mongolia Montserrat Morocco	Tugrik (0)	5,3555 9,7025	Tuvalu A	MAC DOUGL	0.8887
Egypt { Por	und (3)	1,2151	Montserrat	E. Caribbean 6	9,7025	Hennes -	billing .	I
FI Shk@dor	ion i	2,50	Morocco	Pirham	5,3105	Uganda S	Marka San	72,00
Eq'il Quines Eki	Uele	193,30	Mozambique	Metica	29,5894	Utd. A'b. Emir D	ni idem	2,5792
Ethiopia sir	7 (0)	2.0433	Namibia	E A Dand	0.9551	Utd. Kingdom P	Amund Stelling.	1.2983
Faeros Is Da	n Krone	7.326	Marrett La	Avet Baller	0,8887	Upper Volta C	True PINNE	285,30
Falkland le Por	und <sup>a</sup>	1,9283	Neuru Is		15.20	Uruguay P	650	11,58
Fill Dol	llar	0.8786	Netherlands	nupes Ĉuldos	2,4655	U.S.S.R R		0.7412
Finjand Mg	rkka	4 3745	Noth. Anties	ovuvos Guildos	1.00	Manual 11		
		4,3846 6,706	New Zestand	Bolles	1.80 1.2176	VandatuV	aco	92,2182
Fr. C'ty in Af C.F	A Franc	285.30	Niceregue	Portebe	10.00	Vallage .	ust, Dollar	0,8887
Fr. Guiana Fra	tne (	8,706	Niger Rp.	CEA Eman	285.30	Vatican	II A	1201,50
Fr. Pac. Is C.F	P. France	98.5394	Nicetie	Var.J. Franc	0.6257	Actiganess	OLIVAL	4.29
Gabon C.F	A. France	285.70	Nigetie .=	Maria (U)		Vietnam	ong (O)	2,18
Combin Del		2,0744	Norway		6,786	Virgin is di	-X-5	1,00
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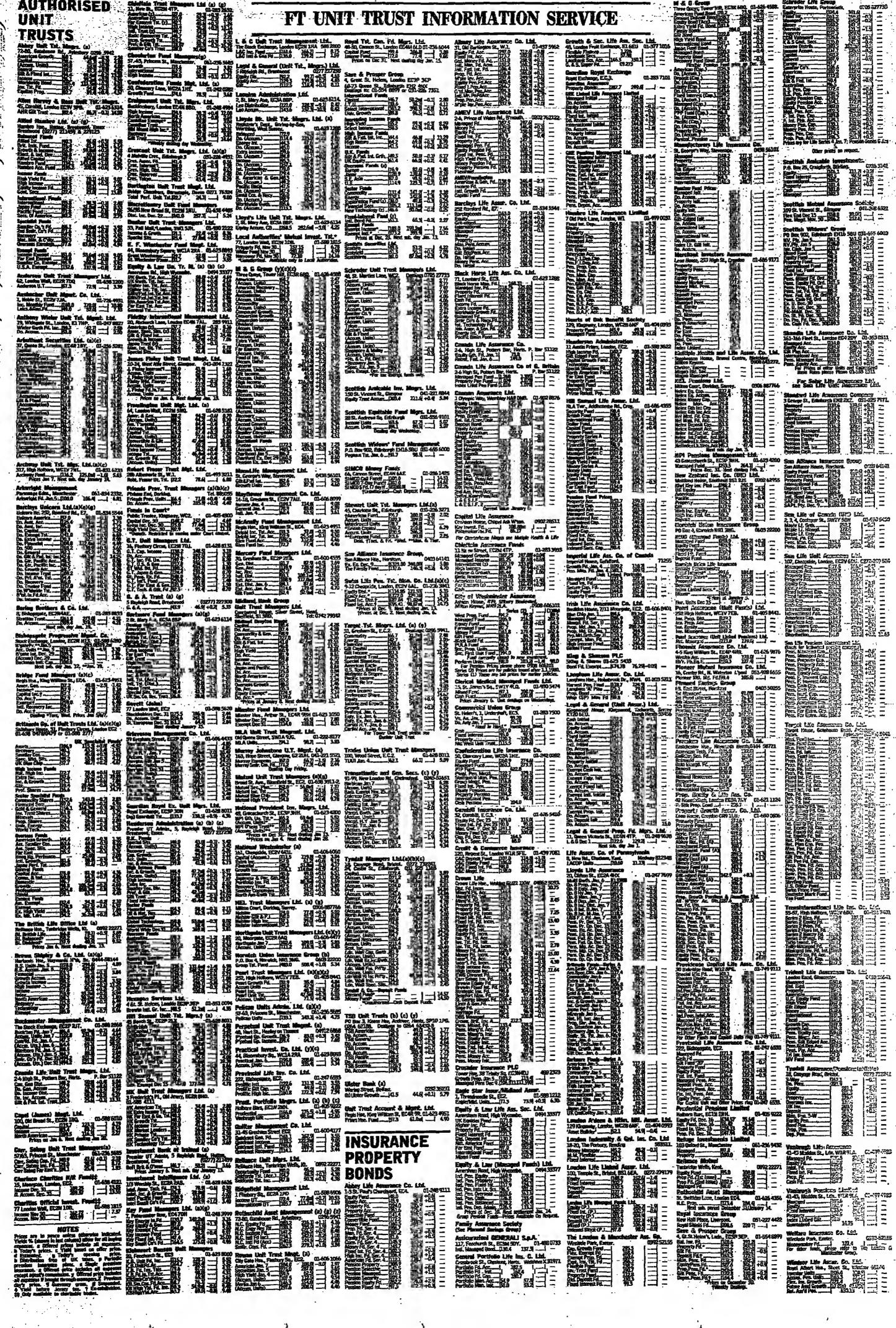
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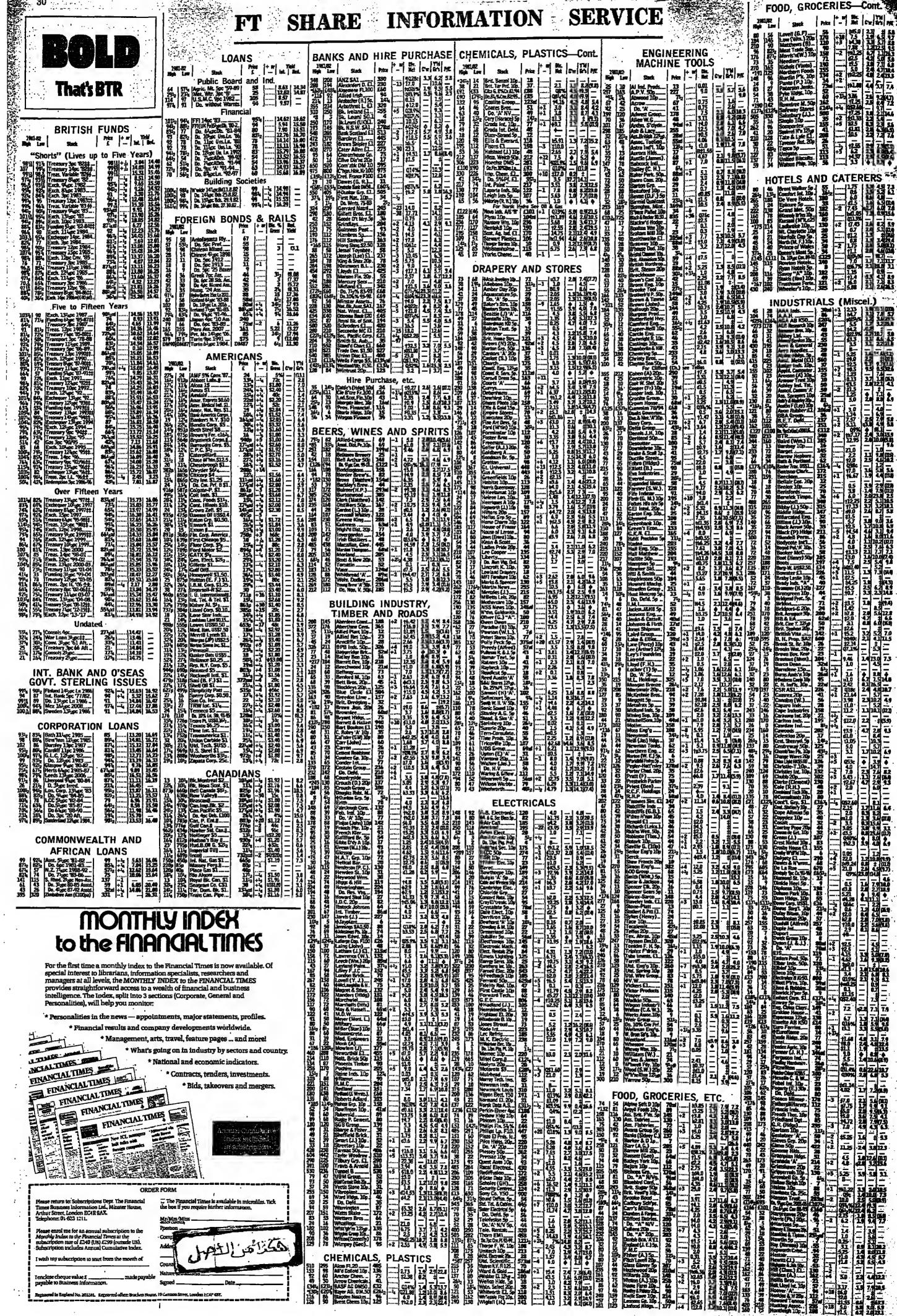
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Kinancial Times Friday January 8 1982 OIL AND GAS-Continued Australian Commercial Vehicles
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Plasfors (GB)... 120a -2 8.5
York Trailer 10p. 15 ...... 8.-Components Garages and Distributors Vultza Mirs 20: West Coast 25:: Westa, Coast 50:: Westa, Mining 50:: Westaner Whim Creek 20:: †2.3 Q13c TOURS FRANCE LAD IN THE PROPERTY OF THE PROPER 

# **FINANCIAL TIMES**

Friday January 8 1982



# Gill injunction move supported

more than 9 per cent of the cash. non-voting shares of Associated Communications Corporation, entertainments conglomerate, plan to support the

Post Office Superannuation Fund in its legal campaign to block a record compensation package worth more than £700,000 being paid to ACC's former managing director.

ACC voting sharebolders meet at noon today for an account of the state of the sta worth more than

extraordinary general meeting at the group's headquarters in Great Cumberland Place, Lon-

Last night the Post Office said eight more institutions had expressed support during the day and had asked to become co-petitioners in its legal moves against ACC. Through a petition in the High Court, issue don Wednesday, the oPst Office seeks an injunction to stop Mr Jack Gill. the former managing

Corporation

Tax paper

favours no

By David Freud HE long-awaited

big changes

Paper on Corporation Tax, which was published yesterday

by Sir Geoffrey Howe, Chan-cellor of the Exchequer, indi-

cates a strong Government commitment to the existing

The paper, foreshadowed by

imputation system of taxation.

the Chancellor in March 1980, sets out the various options for

changing the company tax system, with assessments of the

The paper is written on the assumption of an unchanged level of revenue

from Corporation Tax, and the

Chancellor said yesterday that

the aim was to discuss the

issues in an open and explora-

He stressed that the Govern-ment would "not wish to pro-pose a major change in the cor-

porate tax structure, except

after full consultation and un-

less this consultation indicated

a clear consensus in favour of

range of alternative systems.

The paper considers a wide

It was prepared by the Inland

of all home industrial and commercial companies rarely or

never pay any mainstream Cor-

The higgest section of the

paper investigates ways of adjusting taxable profits to take

account of inflation, with a par-

ticular emphasis on whether the

current cost accounting stan-dard SSAP16 can be used for

It estimates that use of CCA

figures for computing tax liability would involve a slight shift in the weight of taxation from the financial sector to

manufacturing and distribution

companies. However, the esti-mate is very tentative.

briefly considered are:

or capital investment.

Other main tax systems

● To charge "gross" historical cost trading profits before deducting depreciation

and after dedocting interest, with no special reliefs for stock

● To charge convectional

historical cost trading, profits

(after daducting depreciation

and interest), without special

To retain the present

system hut reduce the tax rate

for manufacturing industry to 10 per cent, as in Ireland.

financial results.

tory way.

the change.'

poration Tax.

this purpose.

the injunction to stop Mr Gill being allowed to buy a company house, with a market value of £275,000, for £165,822. Both the settlements are due to be approved in two resolutions by faction about it. Already, Lord voting shareholders at today's Matthews, an ACC director who

Lord Grade, ACC chairman, said last night of the institu-tions' moves: "I can make no comment. There are obviously legalm implications."

The institutiona which bave declared their support for the declared their support for the
Post Office tause are Imperial
Group, the Electricity Council
Superannuation Fund, Eagle
Star, Sun Alliance, Norwich
Union, Equity and Law, the
Cooperative Insurance Society West Yorkshire Metropolitan County Council.

Te institutions seek to hlock

As anger continued to mount yesterday over the proposed payment to Mr Gill the vital voting shareholders began to show further signs of dissatisowns or influences about 9 per tent of the voting ahares, has indicated he will not support the resolution for the payment of the £560,000 to Mr Gill.

Sir Leo Pliatzy, another director, has described the whole episode as "unsayoury and distasteful," and is unlikely to use his 500 voting shares to votes in favour.

Post and Mail, which owns 5 per cent of ACC voting shares, said yesterday that on the think the resolutions are wrong-evidence available to it, it was I don't like it."

EIGHT INSTITUTIONS bolding director, receiving £560,000 in the payment represent in total not bappy with the payment about 12 per cent of non-voting "If there is nothing else forthcoming or further information about the payment at the meeting we will vote against the pay-

> If the resolution is put at today's meeting BPM Holdings intends to ask for a poll of all those casting votes, rather than let it be decided by a show of

> Robert Fleming the merchant bank with just 1,500 voting shares (1 per cent), said it would vote against the resolu-tion to give Mr Gill £560,000. "On the resolution regarding the house deal with Mr Gill, we will abstain."

Sir Eric Clayson, a former BPM Holdings, the holding main board director of ACC, bas company of the Birmingham asked Lord Grade to vote bis 145 shares by proxy against the resolutions. Sir Eric said: "I

# Cowley tea-break cuts deferred

BY ARTHUR SMITH, MIDLANOS CORRESPONDENT

BL HAS deferred a 10 minutes track workers that they should a day cut in tea-breaks, due to come into effect next Monday, out 15 minutes earlier on four days of the week.

The company insisted that it had not climbed down. It wanted agreement with the workforce, and next Tuesday was the earliest which union officials could meet to discuss the issues.

BL appears to be treading carefully to avoid a repetition of the strike by more than 4,000 workers at Longbridge, Birmingham, which balted the successful Metro for four weeks and cost £100m in lost produc-

finance the one-hour cut in the working week introduced last at its Cowley, Oxford, plant November through reduced leaders said the decision was after workers decided to walk rest periods. The Cowley suported almost unanimously stewards, as at Longbridge, insist that the productivity advances achieved over the

> After extensive talks with shop stewards at Cowley, management announced this week that it would introduce the reduced relaxation allow-

> ance from next Monday.
> "This is a unitateral decision and another example of BL's high-handed policy," Mr David Buckle, Oxford secretary of the

Meetings of the workforce agreed to respond hy leaving work 15 minutes earlier. Union leaders said the decision was by more than 2,000 workers. They realised it would mean a loss of pay and a cut in bomts past 12 months should be earnings, running at hetween sufficient to pay for the intro-duction of a 39-bour week. said.

The unions clearly believe that they can exert pressure because BL remains dependent upon Cowley for key models. The plant is producing the Ital, the Triumph Acclaim, and the Ambessador, the replacement for the Princess and the

revamped Rover saloon goes into Ford workers accept package,

joint venture with Nissan of

The coming three-week shut-down will belp reduce stocks of

unsold cars at the company's

plants near Milan and Naples.

is particularly embarrassing

because they are likely to

to invest in the future by spend-

ing on capital projects rather

than running up the current

system of capital expenditure

controls introduced in 1981-82

and their wish to avoid higher

debt charges on the current

Continued from Page 1

for the first part of his cellulose

project, which involved import-

ing a floating pulp mill from

substantially their

The unions fear that the

# Three-week lay-off at Alfa

BY JAMES BUXTON IN ROME

Romeo, Italy's state-owned carmaker, will be laid off for three weeks from January 18.

Similar action is expected later in the year to counter what

the company describes as a Revenue, and finds that a third

An agreement has been drawn up between management and unions to put the lay-offs into

In November Alfa Romeo announced plans to lay off 14,000 workers for the whole of 1982. This appears to have been superseded by a plan to lay off

LOCAL AUTHORITIES

England are expected to spend 23 per cent less in 1981-82 on

capital projects such as roads,

schools and housing than the relevant cash limit permits. In addition to failing to spend

E730m of their capital account

of the target permitted for such expenditure as vehicle, plant

They are also unlikely to

spend £30m of leisure and other

trading profits and of money

raised by selling assets such as

land, schools and homes. This

£30m will be added to the £1bn already in bank accounts from

similar capital receipts in pre-

and machinery leasing.

ALL the 40,000 the whole workforce for up to covery strategy for the com-employed by Alfa a third of the year. Negotiations pany, based on new models, a workers employed by Alfa a third of the year. Negotiations Japan and co-operation with Flat could be in jeopardy.

about 50 per cent of which will state of crisis. The only workers be subsidised by the state—its not affected will be those in losses in 1982 might total research and testing, the company said yesterday.

L300bn (£130bn), about three times the expected deficit for

It has revised downwards its production plans for 1982 by 30 per cent, from 260,000 vehicles to 170,000. Last year Alfa produced about 200,000 cars.

is not taken to halt the losses the whole medium-term re-

Cut expected in local spending

● Education £352m—under-

Social services £62m—under-

Transport £528m—under-

Other aervices £537m-under-

This brings the expected net

expenditure on capital projects to £2.431bn against a cash limit

of £3.16bn. Even if local

authorities spend very heavily in the last quater, they will be unlikely to reach the cash limit.

Although councils tradition-The Environment Department Although councils tradition- account arising from borrowing forecasts that hy the end of ally fail to spend all the money for capital project.

down as follows:

spend £15m;

spend £30m:

spend £103m;

spend £114m.

cash limit, the local authorities Housing £953m—underspend are likely to fall short by £170m £466m:

company wants to use the lay-offs to achieve permanent reductions in the workforce. Flat.

Alfa believes that if action

in March local authority net allowed for capital projects.

capital expenditure will break this year's 23 per cent shortfall

this month and 60,000 for a week in February. Flat's total

workforce is 110,000.

### the main Italian car-maker, took such a course in 1960. Fiat itself, having shed 23,000 workers at that time, is to lay off 70,000 for one week

# Weather

periods after overnight freezing fog clears. London, S England, Channel

N Wales Dry. Sunny periods. Max temp

SW Scolland, Argyll Freezing fog followed hy dry, suony periods. Max temp 1C The local authorities feel the underspend stems from caution and unfamiliarity with the new

Freezing fog followed hy showers. Max temp 1C (34F). Rest of Scotland, Orkney,

Max temp 1C (34F) Outlook: Cold. Sunny intervals.

Y'day midday C F

Even then, the officials said." It was doubtful whether the French company could take over GE's role as supplier without a considerable delay to the pipeline timetables.

France are not due for about For the French company to three years. provide these key elements for the current pipeline projects a major expansion of capacity would require not only a

said the rotor sets, which are mine U.S. sanctions—but also necessary scale is said to be a worth some \$70m, were heavy investment to enable it main reason why the company expected to be used as replace—to provide the equipment in did not seek a role as turbine supplier in the original deal.

(£160m) contract for 47 of the gas turbines, was unable to comment yesterday. Hazel Duff adds: Rolls-Royce

Rolls-Royce offers a gas tur-

# CBI warns on closed shop awards

By Christian Tyler, Labour Editor THE SCALE of compensa-tion for closed shop "vic-tims" proposed by the Government could be revised downwards when new trade union legislation is published

shortly. Mr Norman Tehbit, Employment Secretary, is coming under strong pressure from industry to scrap the proposed minimum compensation for employees who lose their jobs for refusing to be members of unions in closed shops and are subsequently indged hy industrial tribunals to have heen unfairly dismissed

The CBI told Mr Tebbit yesterday that the unlimited compensation—with minima of £20,000 to £24,000 in some circumstances — could hank-rupt smaller firms who became involved in such

Sir Terence Beckett, director general, claimed the plans outlined in the consultative document "could cause real damage to industry. It is conceivable that small firms could be hankrupted in the event of a high award. If the compensation is pitched at too high a level. It could lead to abuse hy individuals without a genuine grievance," he said.

The CBF's criticism follows
a similar complaint by the
Engineering Employers
Federation, while the TUC which rejects the entire legislative package—has also protested that the big sums would attract mischievous claims.

Mr Tebbit was asked yesterday to scrap or reduce the minima, and put a limit on compensation of £16,050 in cases where the employee did not want the job back or it was found impracticable to order his re-engagement. The limit should he £26,530 in cases where a tribunal ordered reinstatement and the employer did not comply, the CBI said.

Mr Tehhit has already argued with the TUC that his plans are misunderstood and that trihunals would continue to redoce very substantially the amount of compensation to an employee who had brought his dismissal upon himself.

The proposed removal of npper limits in closed shon cases has antagonised the CBL. which Mr Tehhit has listened most closely in framing his legal amendments. This could canse the Bill to have a rengh ride in Parliament.

Sir Terence said the CBI endorsed the rest of the plaus and continued to support the principle of an increase in

COLD. Snow. Dry with sunny

Cloudy, Snow, dying out. Max temp 3C (37F). E Anglia, Midlands, S Wales

Snow. Sunny periods. Max temp 2C (36F). E. NW. Central N England. current account target which covers wages and service running costs. The Government has repeatedly asked councils

2C (36F). N Ireland, Lakes, Isle of Man,

VE England, Borders, Edinburgh, Dundee

Shetland Sunny intervals. Showers.

Showers. Severe frost and freezing fog patches. WORLDWIDE

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-Cloudy, F.-Feir, Fg.-Fog, H.-Heil; 8-Rein, S.-Sunny, SI-Sleet, Sr.-Snow, T.-Thunder, 1Noon GMT tempsratures,

Warsaw

THE LEX COLUMN

# Bill brokers at a discount

The importance of the discount market to the London financial system gives the Smith Index rose 5.8 to 529.5 The company came to the St Aubyn disaster a significance out of all proportion to the company's size. One of the most successful of the discount bouses in recent years—the balance sheet total doubled between 1977 and 1981-Smith announced yesterday that it had run through all its revenue reserves in the past eight months. Shareholders were invited to rescue the company by subscribing £2.7m through a 1-for-1 rights issue at 25p, while the sbares slumped from 132p to 35p.

The losses, which must be of bouse's gilt-edged portfolio. This totalled £308m in the April halance sheet-struck at what happened to be the highest point of the market in 1981. Some of the stock was variable rate, but there was a very large holding-apparently well over £100m—of Treasury 15 per cent 1985. The price of this stock bad fallen by 11 points by December, and a bolding of this size could only be placed at a further discount to the markat

when Smith finally cut its book. Misjudgment in the gilt-edged market is easy to understand; indeed Smith's good recent per-formance must have owed a lot to its readiness to take risks, and sooner or later it was bound to get things wrong. Its failuret o cut its losses sooner and its decision to huild up an enormous unmarketable holding make less sense. By the time of the interim state-ment in October things must have been almost as bad as they are now and one can only gasp at Smith's nerve in bolding its interim dividend-at a cost of

fim.
The pressure to take risks in the gilt-edged market stems from the houses' problem in maintaining the real value of their net worth, and hence the size of book they may run. Yesterday's rights Issue from nated loan on which repayment through conventional money Kwik Save Discount will raise Is due to begin two years from activities. Over the a good deal more cash than now.

long term the bouses' booksfor their own comfort and the Bank of England's-must keep pace with their coats and with the deposits of the banking system which they serve. Even after its rights issue, the size of Smith's balance sheet will have to fall from £600m to around £200m; the discount

the order of £15m, seem to count houses, and two rescues, relate almost entirely to the one merger and ahrinkage elsewhere suggest that the authorits MOT test. A new multiplier system to take account of the different risks of various assets is perbaps overdue, and might have limited Smith's losses. But in the end the Bank cannot relieve pinned close to 3 per cent, new equity must have looked very tempting. The issue will raise £11.9m, more than Kwik Save has paid in dividends since the last cash call. in the end the Bank cannot rely on institutions that are unable to look after themselves.

### Corporation tax The only crumb of encourage-

ment for companies in the Green Paper on Comporation Tax is that it does not look as' troduce a gearing adjustment to the new method of stock relief is going to be implemented in the foreseeable future: Overall. the Treasury and the Inland Revenue appear to be happy with their existing patched-up system, on the view that any serious shortcomings will be cured by intermediaries like leasing companies. For the tax authorities, ad hoc solutions have the tremendous advantage tha tthey do not have to be consistent. This way, inflation relief of a kind can be offered to companies but not to private individuals.

for ten, it is still a modest affair. market twice for funds in the mid 1970's but its big spending programme bas been financed from cash flow over the past four years.

Kwik Save's balance sheet is showing no net debt at a time when working capital is under the greatest seasonat pressure. around £200m; the discount so there is no argent need for market's capacity as a channel new money. But it wants to for liquidity falls by the same step up the acquisition of freebold properties and expects that The Bank is less willing than stock levels will be pushed up it was to feather-bed the dis- as food price inflation count houses, and two rescues, accelerates. The shares have outperformed strongly over the past year and, with the historic

### Electronic Rentals

The six months to September were frustrating for Electronic Rentals. TV rental subscrip-tions fell by 2 per cent but supply problems with Philips deprived the group of a chance Tax is that it does not look as to cash in on the VCR boom, though the original plan to he so UK rental income is downand, despite a reduced interest charge, pre-tax profits work out marginally lower at £7.4m.

The supply bottlenecks have since been resolved and the aecond half will benefit from a far lower level of exceptional costs, so the full year should show a comfortable advance to about £18m. At 86p, the shares trade on only about 21 times prospective net cash flow. But reported profits will be held back over the next couple of years by declining balance depreclation on VCR's and with the halance sheet already streached, Electronic Rentals may be giving some thought to remaining its £10m suhordi-Yesterday's rights Issue from nated loan on which repayment

# **How Grindlays** in London, Vienna and Amman assisted Voest Alpine over the construction of an aircraft hangarat Queen Alia Airport.



Banking Department of Grindlays Bank in London and its representative office in Vienna working closely with an Austrian bank arranged for the Multinationals Unit of Grindlays Bank in Jordan to issue Guarantees in support of Voest Alpine's construction of a new aircraft hangar at

Alia Airport Grindlays in Amman also provided local banking and finance facilities in connection with this project. Another international

finance package from Grindlays worldwide network Voest Alpine banked on Grindlays - why don't you?



Read Office: 23 Fenchurch Street, London EC3P 3ED, Telaphone: 01-626 0545, Telax: 8850434/8 GRINDLYG

### ment parts after completion of the pipeline, or in a later phase of Soviet gas export plans. The deal, which has not con-officially announced, was condeal, which has not been cluded before the U.S. announced its sanctions against

the USSR.

December car ontput remained below the average

output at BL's Longbridge plant

# Feature, Page 14 Continued from Page 1

U.S., cut its manufacturing capacity by half and made 44 redundant

The year ended with Leyland Vehicles, BL's subsidiary, an-nouncing a restructuring plan involving a 10 per cent cut in capacity and a 27 per cent reduction in its work-force.

vehicle output will pick up in 1982 from last year's very low level as demand improves towards the end of the year and because stocks will have been reduced to the minimum.

The Department of Industry

pointed out yesterday that its estimate of commercial vehicle production in December, while a little down on the November total, continued to reflect the 'moderate improvement apparent in recent months."

level achieved in the June to October period when there was some recovery from the levels of earlier in the year.
Industrial disputes, particularly the one which stopped

where the Metro is made, played a part in the December set-back. The biggest blow to 1981 car output was the closure of Talbot UK's Linwood plant in of the French government-

# **Vehicles**

ment of a 20 per cent stake in Jari, but the government has

participation but Sr Antonio The consensus of opinion in the industry is that commercial Delfin Neto, the Planning Minister, confirmed that as soon as Jari began to make a profit,

mada clear that it is not interested in control over the proiect. The shares may therefore come without voting rights. The government has made no

Despite Sr Neto's optimism, receive farther government it remains to be seen whether financial incentives. Although Mr Ludwig obtained incentives

official announcement on its Under the present plan the pool the bank's preferential shares on the remaining area. would be past on to private

Amazon dream ends

a profit.
There are still tremendous legal problems to be worked

out regarding land ownership. of companies will take over out with the second part of the only an estimated 2.2m acres and a special federal agency is still trying to reach agreement

Japan, he was unable to persuade the government to help

project. The details of the companies to make up the pool and bow they will manage Jari are There is also the question of expected to be announced whether the new owners will shortly.

Pipeline embargo Continued from Page 1

at the company's turbine plant bine derived from the RB211 political decision on the part near Belfort in eastern France, aero-engine which is in competi-Alsthom's unwillingness to tion to the design offered by the which has said it will not under- make extra investment on the GE associates.

AEG, with a DM 700m

The first deliveries from said yesterday that it could rance are not due for about supply the equipment but that it would need an export licence An acceleration would require from the British Government.